



PAKISTAN OILFIELDS LIMITED

Annual Report 2023



Excellence  
through  
Exploration

# Company Information

## Directors

**Mr. Laith G. Pharaon**  
Chairman  
Attock Group of Companies

**Mr. Wael G. Pharaon**  
Alternate Director:  
**Mr. Babar Bashir Nawaz**

**Mr. Sajid Nawaz**

**Mr. Abdus Sattar**

**Mr. Shamim Ahmad Khan**

**Mr. Agha Sher Shah**

**Mr. Shuaib A. Malik**  
Chairman & Chief Executive  
Also alternate director to  
**Mr. Laith G. Pharaon**

## Human Resource & Remuneration (HR&R) Committee

**Mr. Babar Bashir Nawaz**  
Chairman

**Mr. Shuaib A. Malik**  
Member

**Mr. Abdus Sattar**  
Member

## Audit Committee

**Mr. Shamim Ahmad Khan**  
Chairman

**Mr. Abdus Sattar**  
Member

**Mr. Babar Bashir Nawaz**  
Member

**Mr. Agha Sher Shah**  
Member

## Company Secretary / CFO

Mr. Khalid Nafees

## Auditors & Tax Advisor

A.F. Ferguson & Co.  
Chartered Accountants

## Legal Advisor

Khan & Piracha  
Ali Sibtain Fazli & Associates

## Head Office

Pakistan Oilfields Limited  
P.O.L. House, Morgah, Rawalpindi.

Telephone: +92 51 5487589-97

Fax: + 92 51 5487598-99

E-mail: polcms@pakoil.com.pk

Website: www.pakoil.com.pk

## Field Office

Pakistan Oilfields Limited  
Khaur, Tehsil Pindigheb, District  
Attock.

## Shareholders Enquiries

E-mail for enquiries about  
shareholding, share certificates or  
dividends to: cs@pakoil.com.pk or  
write to:

The Company Secretary  
Pakistan Oilfields Limited  
P.O.L. House, Morgah,  
Rawalpindi, Pakistan.

## Share Registrar

CDC Share Registrar Services  
Limited

CDC House 99-B, Block 'B'  
S.M.C.H.S, Main Shahra-e-  
Faisal, Karachi.

Toll Free: 0800 23275 (CDCPL)

Fax: +92 21 34326040

## Annual Report

The annual report may be downloaded  
by scanning this QR Code.



The annual report can also be  
downloaded from the Company's  
website: www.pakoil.com.pk  
or printed copies may be obtained  
by writing to:

The Company Secretary,  
Pakistan Oilfields Limited  
P.O.L. House, Morgah,  
Rawalpindi, Pakistan.

# Chairman's Review

I am delighted to present the annual report showcasing our company's remarkable achievements during the fiscal year ending June 30, 2023. We are thrilled to report a profit after tax of Rs 36.45 billion, marking an impressive increase of 40.55% compared to the previous year. This achievement stands as a testament to our resilience, strategic acumen, and unyielding dedication to excellence.

The primary drivers of this substantial profit growth are manifold. The increase in profit is mainly attributable to positive impact of Rupee/US\$ parity in oil and gas prices, coupled with exchange gains on financial assets and enhanced income from bank deposits due to favorable interest rates. This increase is off-set to some extent by increased exploration cost and decrease in production.

Throughout the year, we steadfastly pursued our core activities of exploration and development. Our exploration cost of Rs 6.72 billion, encompassing drilling of two dry wells cost and seismic acquisition/processing activities. During the year, three developed wells and two exploratory wells were drilled. These ventures, while not without challenges, reflect our ongoing commitment to driving innovation and progress.

Our investments in seismic data acquisition, processing, and interpretation have yielded substantial progress. Notably, the completion of 3D Seismic data acquisition at Hisal and Pindori blocks, coupled with ongoing data processing, signifies our dedication to harnessing cutting-edge technology for strategic decision-making. Further seismic acquisition is underway at Nareli Block, with plans to extend efforts to Langrial, North Dhurnal & Turkwal blocks for enhanced prospects generation.

As we look ahead to the fiscal year 2023-24, we remain steadfast in our pursuit of excellence. Plans are in place to initiate two (02) exploratory and six (06) development wells, with a significant investment to expand our reserve base. We embrace these challenges with optimism, buoyed by our strong balance sheet, cash generation, and, above all, the commitment of our devoted employees.

I extend a warm welcome to the new members joining our esteemed Board of Directors. I also wish to express my heartfelt appreciation to our outgoing members for their insightful contributions during Board meetings. Their exploration of innovative

avenues and adeptness in navigating complex decisions have indelibly shaped our organizational culture and fueled our growth.

Our Board of Directors, comprising of seven individuals, including two independent directors, three non-executive directors, and two executive directors, brings a wealth of diverse experience from fields such as petroleum, finance, corporate sectors, and regulations. Their collective expertise have been instrumental in guiding our strategic direction, fulfilling fiduciary responsibilities, and ensuring compliance with legal and regulatory requirements.

Our Board remained actively engaged with the management, aiding in confronting unforeseen challenges. Throughout the year, five Board of Directors' meetings were convened, during which the Board played an instrumental role in reviewing financial statements and internal controls. The Audit and Human Resource & Remuneration Committees further contributed invaluable insights, reflecting our commitment to best practices in corporate governance.

Our commitment to professionalism and ethical conduct remains unwavering, as demonstrated by our annual performance evaluation mechanism. This mechanism, encompassing the Board, its members, and its committees, reflects the effectiveness of our governance practices and paves the way for continuous improvement.

I extend heartfelt gratitude to our dedicated management and non-management staff, regulatory authorities, and Government officials for their unwavering support, without which our achievements would not be possible. To our shareholders, your continued faith and support fuel our drive for success.

May the momentum of our growth persist in the years to come.



**Laith G. Pharaon**

Chairman Attock Group of Companies

Rawalpindi  
August 29, 2023

# Directors' Report

## In the name of ALLAH, the most Gracious, the most Merciful

The Directors of the Company take pleasure in presenting Annual Report along with financial statements for the year ended June 30, 2023.

### Financial Results

These are summarized below:

	Rs (000)
Profit for the year after providing for all expenses including depreciation, exploration, amortization and workers' funds.	49,658,659
Less: provision for taxation	(13,206,077)
Profit after tax	36,452,582

In the fiscal year, our company accomplished a commendable profit after tax of Rs 36,453 million, a substantial surge of 40.55% compared to the same period last year (2022: Rs. 25,935 million). This remarkable performance translates into earnings per share of Rs 128.42, reflecting a substantial increase from Rs 91.37 per share in the previous year (2022).

The prominent factor fueling this impressive surge in profits is mainly attributable to positive impact of Rupee/US\$ parity in oil and gas prices, coupled with exchange gains on financial assets and enhanced income from bank deposits due to favorable interest rates. This increase is off-set to some extent by increased exploration cost and decrease in production.

In the exploration segment, we witnessed an increase in exploration costs by Rs 5,843 million, i.e; amounting to Rs 6,720 million (2022: Rs 877 million). This escalation is attributed to the prudent decision to charge the costs associated with two dry wells, located at DG Khan and Margala Blocks. Despite this, our resolute commitment to exploration remains unwavering, as we continue to seek promising opportunities in this domain.

While the year presented its share of challenges, such as a 9% decline in Crude Oil production, an 8% dip in Gas production, and a 4% decrease in LPG production compared to the previous

year, these trends are primarily attributable to the natural depletion of reservoirs. Our steadfast commitment to optimizing production efficiencies will remain a cornerstone of our strategy moving forward.

Furthermore, on a consolidated basis, the company achieved a noteworthy profit after tax of Rs 37,300 million (2022: Rs 26,777 million), translating into consolidated earnings per share of Rs 131.29 (2022: Rs 94.28)

Details of the exploration activities are covered in detail geographical area wise later in subsequent paras

### Directors

At the twenty-second (22nd) Extra Ordinary General Meeting held on June 12, 2023, a new Board of Directors was elected for a term of three years with effect from June 27, 2023 as under:

1. Mr. Laith G. Pharaon
2. Mr. Wael G. Pharaon
3. Mr. Shuaib A. Malik
4. Mr. Sajid Nawaz
5. Mr. Abdus Sattar
6. Mr. Shamim Ahmad Khan
7. Mr. Agha Sher Shah

### Formation of Committees:

#### Audit Committee

The Board has formed an Audit Committee comprising the following directors:

1. Mr. Shamim Ahmad Khan  
Chairman
2. Mr. Abdus Sattar  
Member
3. Mr. Babar Bashir Nawaz  
Member  
Alternate Director to Mr. Wael G. Pharaon
4. Mr. Agha Sher Shah  
Member

# Directors' Report

## Human Resource & Remuneration (HR&R) Committee

The Board has formed Human Resource & Remuneration (HR&R) Committee comprising the following directors:

1. Mr. Babar Bashir Nawaz  
Chairman  
Alternate Director to Mr. Wael G. Pharaon
2. Mr. Shuaib A. Malik  
Member  
Also Alternate Director to Mr. Laith G. Pharaon
3. Mr. Abdus Sattar  
Member

## Cash Flows

Cash and cash equivalents increased by Rs 37,428 million during the year (2022: by Rs 20,150 million). Cash flows provided from operating activities were Rs 29,164 million (2022: Rs 27,906 million).

## Contribution Towards The Economy

The Company continues to play a vital role in the oil and gas sector of the Country. During the year, the Company saved foreign exchange in excess of US\$ 419 million (2022: US\$ 538 million) for the country. The contribution to the national exchequer, in the shape of royalty and other government levies, was Rs 29,227 million (2022: Rs 25,231 million).

## Dividend

The Directors have recommended a final cash dividend @ 600% (Rs 60 per share). This is in addition to the interim cash dividend @ 200 % (Rs 20.00 per share) already declared and paid to the shareholders thereby making it a total cash dividend of Rs 80 per share for the year 2022-23 (2021-22: Total cash dividend of Rs 70.00 per share).

## Production

Comparative Production figures from the Company's fields including proportionate share from operated and non-operated joint ventures are given below:

	June 30, 2023	June 30, 2022
Crude Oil (US Barrels)	1,829,336	2,017,581
Gas (Million Cubic Feet)	23,726	25,825
LPG (Metric Tonnes)	53,177	55,418
Sulphur (Metric Tonnes)	609	475
Solvent Oil (US Barrels)	18,334	18,605

The Company's share in production, including that from joint ventures, for the year under review averaged 5,012 barrels per day (bpd) of crude, 64.98 million standard cubic feet per day (mmscfd) of gas, 145.68 metric tonnes per day (MTD) of LPG, 1.67 MTD of Sulphur and 50 bpd of solvent oil.



# Exploration & Development Activities

## Producing Fields

Balkassar Deep-1A well was spudded on April 26, 2023, drilling is in progress at 10,300 ft. The prognosed total depth of the well is 14,410 ft. The main objective of the well is to test the hydrocarbon potential of Chorgali and Sakesar formations of the second sheet underneath main Balkassar structure.

At Pindori Lease (operated by POL with a 35% share), 3D seismic acquisition project of 60 square kilometers has been completed and data processing is in progress to evaluate the prospectivity of Chorgali formation and to evaluate the possibility to produce un-drained oil.

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%), Makori East-5 sidetrack has been approved for the up-dip location. Moreover, delineation of suitable drilling locations for development of Tolanj West and Makori East fields is in progress

Tolanj West-2 a developed well drilled down to target depth tested three formations, production from this well has been started and currently producing around 18 million cubic feet of gas per day and around 19 barrels of oil per day.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has 11% share), Adhi South-7 has been spudded on April 14, 2022 drilled down to its target depth, presently this well has been connected to the production line. and currently producing around 0.7 million cubic feet of gas per day and around 404 barrels of oil per day

Adhi South-5 tested to the target depth and not produced any hydrocarbons, frac job was also not successful, after that this well was also side tracked, tested 216 barrels of oil per day and 0.22 million cubic feet of gas per day.

Adhi-35 was spudded on January 27, 2023, drilled down to target depth. Tested Khewra formation which was found water wet and preparation for testing of Tobra formation is in progress.

Adhi South-6 was spudded on June 18, 2023 and drilling at 5,000 ft is in progress.

Adhi South-8 and 9 have been approved by the Joint Venture Partners.

At Ratana Development and Production Lease (operated by Orient Petroleum Limited, where POL has 4.54% share), Ratana 5/A has been approved by the Joint Venture Partners.

## Exploration Blocks

At Ikhlas block (operated by POL with 80% share), Jhandial-3 has been finalized, start of drilling is expected in September 2023. Langrial 3D seismic data acquisition project could not be completed due to permitting issues in the area. New plan through bidding process has been initiated.

At DG Khan block (operated by POL with a 70% share), DGK-1, exploratory well drilled down to 15,206 ft but clearance of hole was not achieved to acquire hole logs. During conditioning 455 ft of fish left in hole and despite several attempts no success was made to recover the fish. Placed cement plugs and tested Chiltan formation but no hydrocarbons were flowed. Finally, the well was plugged and abandoned. Remaining leads of DG Khan Block are under evaluation.

At North Dhurnal block (operated by POL with 60% share), design study has been completed to acquire 285.3 square kilometers 3D seismic data acquisition and bidding process for data acquisition is in process.

At Margala block (operated by MOL where POL has 30% share), Tarnol-1 was spudded on September 20, 2022. During drilling, the prognosed formations were not encountered at the prognosed depth and the well was plugged and abandoned.

At Tal block (operated by MOL where POL has pre commerciality share of 25%), an exploratory well Razgir, a development well Makori-3 and

# Exploration & Development Activities

sidetrack of Makori East-5 has been approved by the Joint Venture Partners. 3D seismic data interpretation of Makori, Makori Deep, Billitang, Kot South, has been completed while seismic interpretation on Kahi North, Sarozai, Sarozai Deep, Manzalai South, Manzalai Deep leads is in progress.

Production from Mamikhel South-1 well has been started. The Government has approved sale of gas to third party. Presently, the well is producing at lower choke sizes due to capacity constraints of the buyer.

At Hisal block (Operated by Pakistan Petroleum Limited where POL has 25% share), 3D seismic data acquisition of 235 square kilometers has been completed and processing to carry out the fracture identification study is in progress.

At Gurgalot block (operated by OGDCL where POL has 20% share), 3D seismic data interpretation has been completed and subsurface location of Gurgalot X-1 has been finalized and well planning is in progress.

At Taung block (operated by Mari Petroleum where POL has 40% share), 340.94 square kilometers 3D Seismic data acquisition and interpretation has been completed for the identification of leads.

At Nareli Block (operated by Mari Petroleum where POL has 32% share), 2D seismic data acquisition program of 456-line kilometers-firm and 164-line kilometers-contingent was approved and data acquisition work is in progress.

In the recent bidding, POL won Multanai Block as an operator (100%). The post bidding process of award is in progress with DGPC.

On November 22, 2022, Chah Bali Exploration License was awarded to OGDCL (Operator with 70% share) and POL (30 % share).

## Subsidiary - Capgas (Private) Limited (Capgas)

CAPGAS earned a profit after tax of Rs 65.4 million (2022: Rs 27.8 million). It has declared a total dividend of 955% for the year 2023 (2022: 400.60%). During the year, CAPGAS received an average of 22 MTD LPG.

## Crude Oil Transportation

Khaur Crude Oil Decanting Facility (KCDF) & other pipelines of POL continued to operate satisfactorily. During the year, a total of 8.9 million barrels (2022: 8.6 million barrels) of crude oil from Nashpa, TAL and others were pumped to Attock Refinery Limited through these facilities and pipelines.



# Risks & Opportunities

The Board remains committed to the philosophy of effective business risk management as a core managerial competency. The Board has established a structured approach to risk management through the formulation of a risk management policy and system.

The Company is in a continuous process to implement, monitor and improve its risk management policy. Risks are identified, prioritized and incorporated into a risk management response to effectively address risks.

## Following are some material risks being faced by the Company along with mitigation measures:

- 1. Oil price volatility:** The pricing for the Company's oil and gas production is benchmarked with international prices of crude oil and related products. Any unfavorable variance in the international prices adversely affects the Company's profitability.
- 2. Exploration risk:** Exploration activity is prone to the risk of not finding commercial quantities of hydrocarbons due to a number of factors such as incorrect selection of exploration acreage, poor quality of seismic data, error in processing or interpretation of seismic data, incorrect selection of drilling site. The Company is mitigating exploration risks by using latest technologies and hiring experienced professionals. The Company is in continuous process to explore new opportunities and increasing the chances of success by joining hands with other E&P companies by way of farm-in and farm-out agreements.
- 3. Drilling risk:** Oil and gas drilling by its very nature is a high risk activity. The Company is exposed to a number of hazards during drilling of wells including well blow out, fishing, fire hazards and personal injury. In addition, the risk of not discovering oil and/or gas as expected, would have an adverse effect on earnings. The Company is mitigating these risks by selecting efficient and professional teams and also by having strict criterion for selecting rig and other allied services/equipment. Further, the Company also obtains well insurance cover for all drilling wells.
- 4. Underperformance of major oil and gas fields:** The Company's future earnings and profitability is dependent upon the production and reserves of its oil and gas fields. The actual production from fields may differ materially from estimates due to possible under performance of the oil and gas reservoirs or other production related factors.
- 5. Procurement planning related risk:** Vulnerability to the procurement process is a possible threat to the Company's profitability.  
The vulnerability can give rise to the following risks
  - Commercial risks
  - Operational risk– not having materials
  - Contractual risk– exposure to liquidated damagesThe Company is mitigating these risks by preparing detailed well prognosis before the spud date and timely placement of procurement orders for long lead items.



# Risks & Opportunities

- 6. Reservoir engineering and process:** The over estimation of reserves and production can lead to investment of significant capital in the form of plant design by the engineering function. As far as practical, the Company obtains third party reserve certification to mitigate this risk.
- 7. Laws & Environmental regulations:** The oil and gas industry is regulated by a number of government regulations which are required to be strictly followed. Default in this regard can have serious consequences. E&P Companies must take extra precaution to ensure they are complying with all mandatory regulations when proceeding on a project. The risks of non compliance can include cost overruns, fines, prosecution, work stoppage and physical security threats. The Company is cautious about where they are drilling and be well informed and aware of the applicable laws.
- 8. Increased competition:** With increased competition in the oil and gas exploration and production sector, particularly in relation to the application and award of exploration concessions, the Company may be faced with increased competition. The Company is in a continuous process to explore new opportunities by joining hands with other E & P companies by way of farm-in and farm-out agreements. The Company's LPG marketing business may also be adversely affected due to increased competition, decline in margins or disruption to LPG supply sources. In LPG marketing business, the Company has established a good storage capacity for continuous supply to keep margins intact and it continues to explore sustainable cost-effective sources of further supplies.
- 9. Information technology failures:** The Company's operations may be adversely affected due to information technology failures especially in today's environment of reliance on IT systems, regulation and reporting deadlines. The company has a separate IT wing to control and monitor all related functions especially in relation to back up policy for continuous functioning.
- 10. Economic and political risks:** Uncertain economic and financial market conditions resulting from economic or political instability.
- 11. Joint Venture Partners:** Joint-venture operations are becoming increasingly common across E&P companies as these improve their business by leveraging the expertise and resources of other participants. In particular, when some fields/blocks are new and too challenging to be handled exclusively and the operational costs are high, then companies opt to have another partner in order to have their expertise



and to share the costs involved. POL is also operating in a joint venture environment and many of our projects are operated by other partners. Our ability to influence partners is sometimes limited, due to our small share in non-operated ventures. Non-alignment on various strategic decisions in joint ventures may result in operational and production inefficiencies or delay. We mitigate this risk by continuous and regular engagement with joint venture partners in operated and non-operated projects and by providing them necessary resources/information/approvals required for flow of work.

12. **Terrorist attacks:** A terrorist attack could have a material and adverse effect on the Company's business. The Company has taken a terrorist insurance cover of all its material installations to mitigate this risk.
13. **Third party liability:** A third party liability could have a material and adverse effect on the business. In order to mitigate the risk, the Company is continuously evaluating the areas where insurance cover is required and it has also taken a third party liability insurance which covers its drilling areas, pipelines and material installations.
14. **Human Resource Risks:** Lack of succession planning may lead to hierarchical breakdown. The Company has prepared department wise organogram

and jobs descriptions. Requisitions for new positions and replacements are promptly processed and advertised accordingly.

15. **Lost in hole/damage beyond repair:** During drilling, costly equipment are run in the hole for several jobs at different depths. In order to mitigate the risk, the Company maintains strong control and has also taken insurance coverage.
16. **Increase in fuel cost:** The Company is trying to switch to cheaper alternatives from diesel to gas in order to keep the operating cost low and keep the fields economically viable.
17. **Increase in the SNGPL line pressure:** Due to ever increasing SNGPL line pressure, it has become difficult to inject gas into the SNGPL network. In order to avoid flaring of produced gas the Company is continuously monitoring the SNGPL line pressures and has initiated the process of increasing its delivery pressures.
18. **Overdue receivables :** The Company issues the invoices at the earliest possible time and is continuously monitoring the receivables position with the help of reports generated through Business Intelligence module. Where required, the Company adopts a strong follow up with refineries and SNGPL for swift payment of its invoices.



# Business Process Reengineering (BPR) / Development Activities

The Company believes that quality and an unyielding commitment to continuous improvement are indispensable ingredients to achieve success. All processes are subject to continuous evaluation and improvement. Being an Oil and Gas Exploration and Production company, research is an essential activity.

Seismic data acquisition, processing and interpretation during geophysical activities involve selection of optimum data acquisition parameters through careful experimental investigation in the field. The Company undertakes comprehensive analysis to calculate the volume of sub-surface hydrocarbon's trap of any area, also uses latest sub-surface imaging technology, before drilling any prospect.

Research is also conducted by in-house and outsourced G&G and reservoir studies. Research is also conducted to enhance and/or maintain recovery from the fields.

Apart from drilling of development wells already mentioned earlier by geographical location, major business development projects under taken during the year are as follows:

## POL IT Up-gradation

### Human Resource Management System

Successfully implemented Online Leave Management Module in Head Office.

Planning for HRMS changeover according to new Technology.

### Local Area Network

- Phase wise replacement of obsolete Network Switches across POL.
- Local Area Network Expansion – POL Balkassar Hospital.

### POL Process Historian

- Integration of POL Pipe Line data with historian server.
- Khaur power house data integration.

### CCTV Monitoring and Control

- Installation of CCTV system at KCDF.
- Upgradation of POLGAS Dhulian CCTV setup.
- Recovery of lost, deleted and malware damaged files and their versions
- Secured encrypted retention of user data for record and future reference



# Corporate Social Responsibility (CSR)

Strong commitment of the Company to corporate social responsibility (CSR) is reflected by a comprehensive program introduced by it with particular focus on the socio economic uplifting and development of the regions in which the Company is operating.

**Our CSR vision is aimed at:**

- Protecting our environment.
- Operating in a socially responsible manner.
- Developing the communities in which we operate.
- Maintaining standards of excellence in our work and advocating healthy lifestyles.
- Acting with integrity and adhering to the highest ethical standards.
- Promoting diversity in our work force and partnering with diverse suppliers.
- Ensuring a safe, healthy workplace.

The Company has discharged its mandatory social welfare obligations by depositing the social welfare obligations into joint bank accounts maintained with respective deputy commissioners, where applicable.

The Company has taken a leadership role in contributing to society through a structured social investment program. Investing in the communities in which we operate is not just

a demand that must be met; it is philosophy that we buy into. As part of its core values, the Company places tremendous importance towards contributing to the wellbeing of the communities in which it operates.

Our CSR initiative covers a wide spectrum of activities from the construction of roads and bridges to building schools, colleges and healthcare centers, conducting sports events and support to humanitarian and social work organizations. We are proud of our progress, but there is still much that we plan to do.

Recent devastating floods in the country have affected millions of people and rendered them homeless and jobless with major damages to infrastructure including roads, bridges, livestock and crops.

As a pioneer E&P Company, Pakistan Oilfields Limited (POL) stood by the suffering of the people in this tragic moment for the nation. To contribute towards the national rescue and relief operations, POL & its Staff contributed Rs 31.28 million to the Prime Minister's Flood Relief Fund 2022 through

The Attock Oil Company Limited (AOC).

Some of our Corporate Social Responsibilities programs implemented are summarized below (details are also annexed to the Annual Report):

1. Education
  - Dr. Rashad Institute of Technical Education
  - Dr. Rashad Degree College
  - POL Model Secondary School
  - POL Vocational Training Centre
2. Healthcare and hospital
  - Khaur Hospital
  - Other Healthcare Facilities
  - Community Health Program
3. Sports, Cultural & Religious Activities
4. Infrastructure Development
5. Supporting Drinking Water Schemes
6. Health, Safety and Environment

# Corporate Social Responsibility (CSR)

## Occupational Health & Safety (OH&S)

POL Management is highly committed to ensure and promote the highest degree of safe and healthy working environment in entire organization.

Our primary objectives are to ensure the safety of our people in occupational and operational environments and to ensure safe and knowledgeable use of hazardous materials during operations.

HSE department monitors health, safety and environment of the organization under International ISO 45001:2018 and ISO 14001:2015 certifications. With the team spirit HSE department ensures effectiveness of OH & S systems, policies and programs to reduce workplace risks and promote safe and healthy working environments.

In addition to regulatory requirements and international standards, occupational HSE activities at POL are also guided by internal policies. Department heads and managers all have the responsibility to ensure occupational health, safety and environmental protection.

Third party ISO 45001:2018 (OH&S) and ISO 14001:2015 (EMS) audits are conducted to ensure the integrity of management systems in true spirit.

The Company has instituted a safety management system built on comprehensive and structured programs designed to reduce accidents and eliminate injuries at all our locations. The structure of Emergency Response Teams is well defined and the required contingency plans have been established which regulate emergency organization, responsibilities, list of key personnel, important

telephone numbers, communication plans and sequence of activities to mitigate the situation.

Comparison of workplace accidents, during last three years given below:

Incident	2020	2021	2022
Fatal	0	0	0
Fire	4	2	2
Reportable Incident (Serious Injury)	0	0	0
Reportable Incident (Minor Injury)	2	0	0
Property loss	0	1	0
Major Environment	0	0	0
First Aid Cases	5	3	4
Near Misses	5	4	1

Procedures and processes are regularly reviewed to ensure that the standards set are linked to industry best practices. Health and safety training is provided to employees to ensure that they perform their work in accordance with the Company's standards. In this respect, in-house training for fire safety, first aid, safe driving and occupational health and safety is imparted regularly.

The Company ensures that employees and where applicable, contractors are aware of potential hazards and of the Company's requirements for healthy, safe and environment friendly working practices. POL issues a monthly Safety bulletin for all employees. These initiatives have helped in reduction of workplace injuries.

Emergency drills for different scenarios are carried out regularly to ensure that the state of preparedness is well maintained. Safety planning is carried out for each concession area of the Company separately. Tool box talks and on Field training sessions are conducted by HSE department in each field on regular basis.

Following are details of trainings given by HSE department during the last three years:

Year 2021		Year 2022		Year 2023	
No. of Trainings	No. of Participants	No. of Trainings	No. of Participants	No. of Trainings	No. of Participants
2,226	29,794	2,375	34,731	2,286	33,808

## Helping our Environment

We are committed to minimize and manage environmental impact of our operational activities on our employees, contractors, surrounding neighborhood and earth's resources without affecting ecosystem. In view of our continual environment friendly activities, POL has achieved ISO 14001:2015 certification for LPG plant site at Meyal.

The mitigation measures taken to neutralize environmental impact include technology, up gradation of systems, increased monitoring level of environmental parameters, preparation of EIA reports for new projects, IMC reports for ongoing projects as per EPA applicable rules regulations, good industrial environment practices and waste management.

### Projects Completed

- 2nd Surveillance audits of ISO 45001:2018 for Khaur, Meyal, Balkassar and SCR Rig.
- 2nd Surveillance audits of ISO 14001:2015 for LPG plant Meyal.
- Refurbishment of Fire Tender (HT-3) of Pindori Field.
- POL ensured effective contribution in safe rig movement & assembling activities of CCDC Rig-27 at Balkassar Deep-1A through continuous monitoring, risk assessments & gap analysis of rig movement & assembling activities. Any gaps and shortcomings were timely addressed and mitigated by taking effective control measures. As a team effort, the whole activity was completed safely without any minor incident or accident.
- Quarterly Environmental monitoring of all POL fields and SCR rig.
- POL won Environment Excellence award 2022 and 2023 arranged by National Forum for Environmental & Health (NFEH).
- POL won Fire and Safety Awards 2022 arranged by National Forum for Environmental & Health (NFEH) and Fire Protection Industry of Pakistan (FPIP)
- Environment monitoring (IMC) reports for Balkassar Deep-1A well.
- Ensured in time calibration / inspection of fixed and portable LEL and H2S gas detection, flame detection systems, Automatic foam suppression system at fields and SCR Rig through third party.
- Calibration/ inspection of Addressable smoke detection system at POL House Morgah and POL solar panel projects.
- NIFT training sessions attended by POL Employees.
- POL conducted in house first aid training sessions at all fields/SCR Rig.
- EIA preparation for well Jhandial-3 and IEE preparation of Balkassar Deep-1A well
- Extension of Fire Water Network at Khaur Offices area Balkassar and Installation of sprinkling system at Balkassar Bowser filling shed

# Corporate Social Responsibility (CSR)

## Ongoing/New targets

- Recertification of ISO 45001:2018 for Khaur, Meyal, Balkassar and SCR Rig.
- Recertification of ISO 14001:2015 for LPG plant Meyal.
- POL will participate in Fire and Safety Awards 2023 arranged by National Forum for Environmental & Health (NFEH) and Fire Protection Industry of Pakistan (FPIP)
- EIA preparation for well Kirther-2D and Dhurnal 3D seismic surveys.
- Quarterly Environmental monitoring of all POL fields and SCR rig.
- Environment monitoring (IMC) reports for Balkassar Deep-1A, Jhandial-3, Dhurnal 3D and Kirther-2D seismic surveys.
- External Trainings NEBOSH (IGC) and H2S Level-II.
- Process Safety Management training.
- Monthly HSE Dashboard
- To conduct in house first aid training at all fields/SCR Rig.
- Assessment of HSE performance for field's staff for annual award in all POL fields/SCR Rig.
- 3rd party hydro testing of CO2 dumping system cylinders of Khaur Power House, Khaur Sub station and SCR Rig to be carried out.
- Emergency stair case POL House Morgah
- Emergency escape stair case for POL House Morgah.
- H2S services at Balkassar Deep-1A through POL Own cascade Breathing Air system.
- Extensive awareness sessions of JOs staff POL (Technical and Non-technical)
- Emergency response and Emergency handling awareness sessions at POL House Morgah.
- Extension of Fire Water Network at Stores area Balkassar and Installation of sprinkling system at Joyamair Bowser filling shed

## Human Resource

POL believes that adoption of effective Human Resource (HR) management and development policies are vital for achieving organizational goals and objectives as HR polices have a measurable impact on the growth of the organization.

POL considers its employees the most valuable asset. The selection procedures and employment policies are geared to attract and retain capable and qualified employees who are willing to contribute their best efforts to accomplish the objectives of the Company. Employees are trained on soft and technical skills to narrow the gap between actual and required performance.

# Corporate Governance

- a) The financial statements, prepared by management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements. Accounting estimates are based on reasonable and prudent judgment.
- d) Accounting & Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) Significant deviations from last year's operating results have been disclosed as appropriate in the Directors' Report / Chairman's review and in the notes to the financial statements, annexed to annual report.
- i) The Company does not envisage corporate restructuring or discontinuation of its operations in the foreseeable future.
- j) Key operating and financial data of the last six years in summarized form is annexed to annual report.
- k) All major Government levies in the normal course of business, payable as at June 30, 2023, have been cleared subsequent to year-end.

- l) The values of investments in employee retirement funds based on financial statements of June 30, 2023 are as follows:

Management Staff Pension Fund	Rs 1,406 million
Gratuity Fund	Rs 758 million
Staff Provident Fund	Rs 695 million
General Staff Provident Fund	Rs 71 million

## Directors and Board Meetings

Total number of directors is seven as per the following:

- a. Male: 7
- b. Female: None

The composition of Board is as follows:

Category	Names
Independent Directors *	Mr. Shamim Ahmad Khan Mr. Agha Sher Shah
Other non-executive directors	Mr. Laith G. Pharaon ** Mr. Wael G. Pharaon*** Mr. Abdus Sattar
Executive Directors	Mr. Shuaib A. Malik Mr. Sajid Nawaz

\* Independent Directors qualify criteria of independence under regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

\*\* Alternate Director - Mr. Shuaib A. Malik, Chairman and Chief Executive of the Company

\*\*\* Alternate Director - Mr. Babar Bashir Nawaz

The board has formed committees comprising of members given below:

- a) Audit Committee

Name	Role
Mr. Shamim Ahmad Khan	Chairman
Mr. Abdus Sattar	Member
Mr. Babar Bashir Nawaz	Member
Mr. Agha Sher Shah	Member



# Corporate Governance

## b) HR and Remuneration Committee

Name	Role
Mr. Babar Bashir Nawaz	Chairman
Mr. Shuaib A. Malik	Member
Mr. Abdus Sattar	Member

During the year, the Board of Directors met five times. The number of meetings attended by each director during the year is as follows:

Sr. No.	Name of Director	Board of Directors Meetings	Audit Committee Meetings	HR & R Committee Meetings
1	Mr. Laith G. Pharaon	5*		
2	Mr. Wael G. Pharaon	5*	4*	1*
3	Mr. Shuaib A. Malik	5		1
4	Mr. Abdus Sattar	5	4	1
5	Mr. Sajid Nawaz	4		
6	Mr. Shamim Ahmad Khan	5	4	
7	Mr. Tariq Iqbal Khan	5	4	

\* Overseas directors attended the meetings either in person or through alternate directors.

## Board Meetings Held Outside Pakistan

All Board meetings were held in Pakistan except 530th Board meeting dated February 27, 2023 held in Dubai, UAE.

## Directors' Remuneration

The Board of Directors is authorized to determine, review and amend from time to time the fee structure for attending the meetings of the Board or any committee of Directors. A Director may also be paid for travelling, hotel and other expenses properly incurred by him in attending and returning from meetings of the

Directors or any committee of Directors or General Meetings of the Company.

The aggregate amount charged in these financial statements in respect of fee to 7 directors (2022: 7) was Rs 11,859 thousand (2022: Rs 9,139 thousand). This includes Rs 7,702 thousand (2022: Rs 5,618 thousand) paid to 4 non-executive directors (2022: 4) of the Company.

## Security Clearance of Foreign Directors

Foreign Directors elected on the Board of Pakistan Oilfields Limited requires security clearance from Ministry of Interior through SECP. All legal formalities and requirements have been met and fulfilled in this regard.

## Trading in Shares by Directors and Executives

All direct or indirect trading and holdings of the Company's



shares by Directors, Chief Executive, substantial shareholders, executives or their spouses notify in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which are notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholdings.

## Conflict of Interest Among Board Members

A formal code of conduct is in place governing the actual or perceived conflict of interest relating to the Board members of the Company. Under the guidelines of code of conduct, every director is required to disclose his interest in any contract, agreement or appointment etc. These disclosures are circulated to the Board and it is ensured that the interested director does not

participate in decision making and voting on the subject. These facts are recorded in minutes of meeting. Any such conflict of interest is recorded in Company's statutory register while disclosures of related party transactions are provided in financial statements.

## Role of Chairman & Chief Executive

The Chairman heads the Board meetings and ensures effective functioning of the Board. The Chairman acts as a liaison between management and the Board. He has power to set agenda, deliver instructions and signs the minutes of the board meeting. The Chairman ensures that the Directors are properly informed and that sufficient information is provided to enable them to form appropriate judgments. The Chairman evaluates annually the effectiveness of the Board as a whole.

The Chief Executive is the executive director who also acts

as the head of the company's management. He is responsible for leading the development and execution of the Company's long term strategy with a view to enhance value for shareholder. He is responsible for day-to-day management decisions and for implementing the Company's long and short term plans. The Chief Executive also communicates on behalf of the Company to the shareholders, employees, Government authorities and other stakeholders.

## Performance Evaluation of the Board

The Board of Directors acts as governing trustees of the Company on behalf of the shareholders, while carrying out the Company's mission and goals.

Under requirement of Listed Companies (Code of Corporate Governance) Regulations, 2019, a formal and effective mechanism is put in place for



# Corporate Governance

an annual evaluation of the Board and of its committees.

The Board of Directors sets the following evaluation criteria to judge its performance.

- a. Review of the strategic plans and business risks, monitor the Company's performance against the planned objectives and advise the management on strategic initiatives.
- b. Working as a team, the Board has the right blend of skills, expertise and the appropriate degree of diversity. The Board focuses on significant matters such as strategy and policy.
- c. Establishing adequate internal control system in the Company and its regular assessment through self assessment mechanism and internal audit activities.
- d. Relations with key Stakeholders like Regulators, Employees, Shareholders and CBA are maintained through regular and open communication.
- e. Building interaction with the Management to seek and obtain sufficient input from management to support effective Board decision-making.
- f. Ensuring that the Directors have full & common understanding of their role

and responsibilities in the light of Memorandum and Articles of Association of the Company and as per prevailing laws.

- g. Monitoring and evaluating the management's performance.

## Performance Evaluation of the Chief Executive

The Chief Executive, being part of the Board, is present in every meeting of the Board. He provides an overview of the Company's performance to the Board and addresses any specific questions by the Board members. The performance of the Chief Executive is assessed through the evaluation system set by the Company. The main factors of evaluation include financial performance, business processes, compliance, business excellence and people management.

## Formal Orientation at Induction

When a new member is taken on board, it is ensured that he is provided with a detailed orientation of the Company. Orientation is mainly focused on the Company's vision, strategies, core competencies, organizational structure, related parties, major risks (both external and internal)

including legal and regulatory risks and role and responsibility of the directors as per laws applicable in Pakistan along with an overview of the strategies, plans, marketing analysis, forecasts, budget and business plan.

## Directors Training Program

The Company ensures that it meets requirements of Securities & Exchange Commission of Pakistan relating to Directors' Training Programme (DTP). Five directors meet the exemption requirement of the DTP. The remaining two directors have obtained certification under DTP.

## Internal Financial Controls

The system of internal control is sound in design and has been effectively implemented and monitored. Appropriate accounting policies have been consistently applied in preparation of the financial statements. We have developed effective policies and procedures over period of time in all areas of our activities. These controls/policies have been put in place to ensure efficient and smooth running of the business, safeguarding the Company's assets, prevention and detection of

fraud and errors, accuracy and completeness of books of account and timely preparation of reliable financial information. Internal financial controls are periodically reviewed to ensure that these remain effective and are updated with changing laws, regulations and/or accounting standards.

## IT Governance Policy

With the increasing volumes of digital exchange, information technology governance is regarded as a core part of POL overall governance program. Keeping in view the shareholders interest, the company investment in IT is aligned to support its strategic objectives. In POL we are unequivocally dedicated to incorporate best and most recent IT advancements and framework to empower productive and convenient basic decision-making process.

IT governance policy consists of following:

- Promoting governance, transparency, accountability and dialogue about technology that facilitates effective strategy adoption
- Ensuring compatibility, integration and avoiding redundancy
- Securing the company's data
- Keeping the IT function proactive from an innovation perspective providing ideas to the business
- Maximizing return on technology investment with controlled spending, while providing POL with a coherent and integrated IT architecture and management structure
- To create a culture of paperless environment within the company

## Safeguarding Company's Record

POL effectively ensures the safety of records. All records are retained as long as they are required to meet legal, administrative, operational and other requirements of the Company.

Furthermore, the Company keeps systematic backup of the record on daily basis for protection of data and its recovery in case of any catastrophe.

## Related Party Transactions

All transactions with related parties are reviewed by the Audit Committee and recommended to the Board for approval on quarterly basis fulfilling the requirements of

section 208 of the Companies Act, 2017.

## Operating Segments

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the company is disclosed in note 25 of the financial statements.

Revenue from two major customers of the Company constitutes 79% of the total revenue during the year ended June 30, 2023 (June 30, 2022: 75%).

## Issues Raised at Last AGM

Apart from general clarifications requested by the shareholders about the Company's financial performance and published financial statements during the 71st Annual General Meeting held on September 20, 2022 no other issue was raised.

## Stakeholders' Engagement

Stakeholders' commitment is a key component of corporate social responsibility (CSR) and accomplishing the triple main concern. Organizations draw in their partners in exchange to discover what social and financial issues matter most to them about their execution, so

# Corporate Governance

as to enhance basic leadership and responsibility in order to improve decision-making and accountability. At POL, a vigorous engagement take place between all stakeholders to understand and respond to every stakeholder's legitimate concern either social, environmental or company financial related issues. Our key stakeholders are:

- Shareholders
- Customers (POLGAS distributors)
- Suppliers
- Banks
- Employees
- General public
- Government and regulatory authorities

The frequency of engagement is based on business needs and corporate requirements as specified by the Code of Corporate Governance, or as contracted, under defined procedures.

## Addressing Investors Grievances

The interest of small investors and minority shareholders is of prime importance to the Company. In order to keep a vigilant eye and to provide a platform to the investors for voicing their concerns, a team under corporate section has been designated to ensure that grievances/ complaints of the investors are heard and redressed, in a quick and efficient manner.

Mechanism of lodging any complaint/issues is detailed on the website of the Company. Designated contact numbers and email address of the Company / Regulator is disseminated among investor through company broadcasts.

In order to promote investor relations and facilitate access to the Company for grievance, an 'Investors' Relations' section

is also maintained on POL's website [www.pakoil.com.pk](http://www.pakoil.com.pk)

## Access of Shareholders to Company's Website

All our shareholders and general public can visit the Company's website "www.pakoil.com.pk" which has dedicated section for investors containing information related to annual, half yearly and quarterly financial statements and to have a glance on shareholders' related information.

## Share Price Sensitivity

The Company disseminates all material and price sensitive information to Pakistan Stock Exchange (PSX) through Pakistan Unified Corporate Action Reporting System (PUCARS).



## Auditors

The auditors, Messers A.F. Ferguson & Co., Chartered Accountants, retire and being eligible offer themselves for reappointment.

## Pattern of Shareholding

The pattern of shareholding as at June 30, 2023 is also annexed to the Annual Report.

## Holding Company

The Attock Oil Company Limited, incorporated in England, is the holding company of Pakistan Oilfields Limited.

### On behalf of the Board

**Shuaib A. Malik**  
Chairman & Chief Executive

**Rawalpindi**  
**August 29, 2023**

## Consolidated Financial Statements

The consolidated financial statements of the Company and its subsidiary are annexed to the Annual Report.

## Future Outlook

Our oil & gas prices are linked with the international oil prices, which is uncontrollable factor for us and the industry as well. During the year, international oil prices decreased and this decrease was compensated by increase in Rs/ US parity which eventually resulted increase in the Company's profits.

Plans are in place to initiate two exploratory and six

development wells during the next year. On the production side, we are pretty much hopeful to maintain our existing production volume and sales, as Pakistan is energy deficient country and will be able to absorb all local oil and gas production easily. We have all resources to complete our development and exploration activities as mentioned in the earlier part of our report.

## Acknowledgement

The results for the year could not have been made possible without the loyalty, devotion, hard work and commitment of all employees. The Board of Directors acknowledges and deeply appreciates their contribution towards achievement of the Company's goals.

**Abdus Sattar**  
Director



### اعتراف:

ملازمین کی وفاداری، محبت، جانفشانی اور بلند عزائم کے بغیر سالانہ نتائج حاصل نہیں کیے جاسکتے تھے۔ بورڈ آف ڈائریکٹرز کمپنی کے مقاصد کو حاصل کرنے کے لئے ان کی کاوش کو خراج تحسین پیش کرتا ہے۔

### منجانب بورڈ:

عبدالستار

ڈائریکٹر

شعبان ملک

چیرمین و چیف ایگزیکٹو

راولپنڈی

۲۹ اگست، ۲۰۲۳ء

سپلائرز

بینک

ملازمین

عوام الناس

حکومت اور ریگولیٹری حکام

مشغولیت کی فریکوئنسی کاروباری ضروریات اور کارپوریٹ ضروریات پر مبنی ہے جیسا کہ کوڈ آف کارپوریٹ گورننس کے ذریعہ بیان کیا گیا ہے، یا بطور معاہدہ طے شدہ طریقہ کار کے تحت۔

### سرمایہ کاروں کے تحفظات:

چھوٹے سرمایہ کاروں اور اقلیتی حصص یافتگان کی دلچسپی کمپنی کے لئے انتہائی اہم ہے۔ سرمایہ کاروں کے تحفظات پر گہری نظر رکھتے ہوئے ان کے تحفظات کمپنی تک پہنچانے کے لئے کارپوریٹ سیکشن میں ایک ٹیم مقرر کی گئی ہے تاکہ وہ سرمایہ کاروں کے تحفظات / شکایات کو سنے اور ان کا فوری ازالہ کرے۔

شکایات / معاملات کو درج کرانے کے لئے کمپنی کی ویب سائٹ پر طریقہ کار وضع کر دیا گیا ہے۔ کمپنی ریگولیٹرز کے متعلقہ فون نمبرز اور برقی پتے بھی کمپنی کے ذرائع سے سرمایہ کاروں کو دیئے گئے ہیں۔

سرمایہ کاروں کے ساتھ تعلقات بڑھانے اور ان کے تحفظات باسانی کمپنی تک پہنچانے کے لئے "Investors Relations" کا سیکشن بھی پی او ایل کی ویب سائٹ [www.pakoil.com.pk](http://www.pakoil.com.pk) میں بنا دیا گیا ہے۔

### کمپنی ویب سائٹ پر حصص داران کی رسائی:

ہمارے تمام حصص داران اور عام عوام کمپنی کی ویب سائٹ [www.pakoil.com.pk](http://www.pakoil.com.pk) ملاحظہ کر سکتے ہیں۔ جس میں سرمایہ کاروں کے لئے سالانہ، ششماہی اور سہ ماہی مالی بیانات سے متعلق معلومات شامل ہیں اور حصص داران سے متعلق معلومات پر ایک نظر ڈالی گئی ہے۔

### حصص کی قیمت کی حساسیت:

کمپنی پاکستان سٹاک ایکسچینج (PSX) کو تمام مادی اور قیمتوں سے متعلق معلومات کو پاکستان یونیٹڈ کارپوریٹ ایکشن پورٹنگ سسٹم (PUCARS) کے ذریعے آگاہ کرتی ہے۔

### آڈیٹرز:

آڈیٹرز، اے۔ ایف۔ فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

### حصص داران:

۳۰ جون ۲۰۲۳ء کو حصص داران کی تفصیلی رپورٹ ساتھ لگادی گئی ہے۔

### ہولڈنگ کمپنی:

دی انک آئل کمپنی لمیٹڈ برطانیہ میں تشکیل شدہ، پاکستان آئل فیلڈز لمیٹڈ کی ہولڈنگ کمپنی ہے۔

### مجموعی مالیاتی بیانات:

کمپنی اور اس کے ماتحت ادارے کے مجموعی اکاؤنٹس اس رپورٹ کے ساتھ لگادے گئے ہیں۔

### مستقبل کا نظریہ:

ہماری تیل کی قیمتیں تیل کی بین الاقوامی قیمتوں سے منسلک ہیں، جو ہمارے اور صنعت کے لئے بھی بے قابو عنصر ہے۔ سال کے دوران، تیل کی بین الاقوامی قیمتوں میں خاطر کمی آئی اور اس کمی کی تلافی روپے / امریکی ڈالر کی برابری میں اضافے سے ہوئی جو کمپنی کے منافع میں اضافے کا باعث بنی۔

انشاء اللہ اگلے سال کے دوران، دو (۲) نئے دریا فنی کنویں اور چھ (۶) ترقیاتی کنویں کھودے جائیں گے۔

پیداوار کے لحاظ سے، ہم اپنے موجودہ پیداواری حجم اور فروخت کو برقرار رکھنے کے لئے بہت پر امید ہیں، کیوں کہ پاکستان میں توانائی کی کمی ہے اس لئے وہ تیل اور گیس کی تمام تر پیداوار کو باسانی جذب کرنے کے قابل ہو جائے گا۔

ہمارے پاس وہ تمام وسائل موجود ہیں جو ہماری ان ترقیاتی اور پیداواری سرگرمیوں کو پایہ تکمیل تک پہنچانے کے لئے درکار ہیں جن کارپورٹ میں پہلے تذکرہ کیا جا چکا ہے۔



# ڈائریکٹرز رپورٹ

مزید برآں، کمپنی ڈیٹا کے تحفظ اور کسی بھی تباہی کی صورت میں اس کی بحالی کے لئے روزانہ کی بنیاد پر ریکارڈ کا منظم بیک اپ رکھتی ہے۔

## متعلقہ پارٹی سے لین دین:

متعلقہ فریقوں کے ساتھ تمام لین دین کا آڈٹ کمیٹی کے ذریعے جائزہ لیا جاتا ہے اور کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۲۰۸ کے تحت سہ ماہی کی بنیاد پر منظوری کے لئے بورڈ کو سفارش کی جاتی ہے۔

## آپریٹنگ سیگمنٹ:

مالیاتی گوشواروں کو ایک قابل رپورٹ سیگمنٹ کی بنیاد پر تیار کیا گیا ہے۔ کمپنی کی مصنوعات کے لئے بیرونی صارفین سے آمدنی کا انکشاف مالیاتی بیانات کے نوٹ ۲۵ میں کیا گیا ہے۔

## آخری سالانہ عمومی اجلاس میں اٹھائے گئے امور:

۲۰ ستمبر ۲۰۲۲ء کو منعقدہ ۷۱ ویں سالانہ عمومی اجلاس کے دوران کمپنی کی مالی کارکردگی اور شائع شدہ مالی بیانات کے بارے میں حصص داران کی جانب سے عام وضاحتوں کے علاوہ کوئی اور مسئلہ نہیں اٹھایا گیا۔

## اسٹیک ہولڈرز کی مصروفیت:

اسٹیک ہولڈرز کا عزم کارپوریٹ سماجی ذمہ داری کا ایک اہم جز ہے۔ اور تین اہم نکات کی تکمیل کرنا۔ تنظیمیں اپنے شراکت داروں کی توجہ مبذول کراتی ہے تاکہ یہ دریافت کر سکے کہ کون سے سماجی اور مالی مسائل ان کے لئے سب سے زیادہ اہمیت رکھتے ہیں، تاکہ فیصلہ سازی اور جوابدہی کو بہتر بنانے کے لئے بنیادی قیادت اور ذمہ داری کو بڑھایا جاسکے۔

پی او ایل میں، تمام اسٹیک ہولڈرز کے درمیان سماجی، ماحولیاتی یا کمپنی کے مالیاتی مسائل سے متعلق ہر اسٹیک ہولڈر کی جائز تشویش کو سمجھنے اور اس کا جواب دینے کے لئے ایک بھرپور مشغولیت ہوتی ہے۔

ہمارے اہم اسٹیک ہولڈرز ہیں:

- حصص داران

- صارفین (پول گیس ڈسٹری بیوٹرز)

ساتھ ساتھ موثر پالیسیاں اور طریقہ کار وضع کیے ہیں۔ یہ کنٹرول پالیسیاں کاروبار کو موثر اور ہموار انداز سے چلانے کو یقینی بنانے، کمپنی کے اثاثوں کی حفاظت، دھوکہ دہی اور غلطیوں کی روک تھام اور ان کا پتہ لگانے، کھاتوں کی درستگی، مکمل اور قابل اعتماد مالی معلومات کی بروقت تیاری کو یقینی بنانے کے لئے بنائی گئی ہیں۔ داخلی مالیاتی کنٹرول کا وقتاً فوقتاً جائزہ لیا جاتا ہے۔ تاکہ اس بات کو یقینی بنایا جاسکے کہ یہ موثر رہیں اور تبدیلی شدہ قوانین، قواعد و ضوابط اور مالیاتی معیارات سے ہم آہنگ رہیں۔

## آئی ٹی گورننس پالیسی:

ڈیجیٹل آپریشن کے بڑھتے ہوئے حجم کے ساتھ، انفارمیشن ٹیکنالوجی گورننس کو پی او ایل کے مجموعی گورننس پروگرام کا حصہ سمجھا جاتا ہے۔ حصص یافتگان کی دلچسپی کو مد نظر رکھتے ہوئے، آئی ٹی میں کمپنی کی سرمایہ کاری اس کے اسٹریٹیجک مقاصد کی حمایت کے لئے منسلک ہے۔ پی او ایل میں ہم نتیجہ خیز اور آسان بنیادی فیصلہ سازی کے عمل کو بااختیار بنانے کے لئے بہترین اور تازہ ترین آئی ٹی پیشرفت اور فریم ورک کو شامل کرنے کے لئے واضح طور پر وقف ہیں۔

## آئی ٹی گورننس پالیسی مندرجہ ذیل پر مشتمل ہے:

- گورننس، شفافیت، جوابدہی اور ٹیکنالوجی کے بارے میں مکالمے کو فروغ دینا جو موثر حکم عملی اپنانے میں سہولت فراہم کرتی ہے
- مطابقت، انضمام کو یقینی بنانا اور فالتو پن سے گریز کرنا
- کمپنی کے ڈیٹا کو محفوظ رکھنا
- کاروبار کو آئیڈیاز فراہم کرنے والے اختراعی نقطہ نظر سے آئی ٹی کے نظام کو فعال رکھنا
- کنٹرول شدہ اخراجات کے ساتھ ٹیکنالوجی کی سرمایہ کاری پر زیادہ سے زیادہ منافع دینا، پی او ایل کو مربوط و انضمام شدہ فن تعمیر اور انتظامی ڈھانچہ فراہم کرنا
- کمپنی کے اندر کاغذ کے بغیر ماحول کا کلچر پیدا کرنا

## کمپنی کے ریکارڈ کی حفاظت کرنا:

پی او ایل موثر طریقے سے ریکارڈ کی حفاظت کو یقینی بناتا ہے۔ تمام ریکارڈ اس وقت تک برقرار رکھے جاتے ہیں جب تک کہ وہ کمپنی کی قانونی، انتظامی، آپریشنل اور دیگر ضروریات کو پورا کرنے کے لئے درکار ہوں۔

کی روشنی میں موجودہ قوانین کے مطابق اپنے کردار کے متعلق پوری طرح آگاہ ہوں۔  
۷۔ انتظامیہ کی کارکردگی کی نگرانی اور جانچ پڑتال کرنا۔

### چیف ایگزیکٹو کی کارکردگی کا اندازہ:

چیف ایگزیکٹو (CE) بورڈ کا حصہ ہونے کے ناطے، بورڈ کے ہر اجلاس میں موجود ہوتا ہے۔ چیف ایگزیکٹو بورڈ کو کمپنی کی کارکردگی کا ایک اجماعی جائزہ پیش کرتا ہے اور بورڈ ممبران کے ذریعے کسی خاص سوالوں کا ازالہ کرتا ہے۔ چیف ایگزیکٹو کی کارکردگی کا اندازہ پنی اوایل کے ذریعے مقرر کردہ تشخیصی نظام کے ذریعے کیا جاتا ہے۔ تشخیص کے اصولی عوامل میں مالی کارکردگی، کاروباری عمل، تعمیل، کاروباری فضیلت اور لوگوں کا انتظام شامل ہے۔

### تقرری میں باضابطہ واقفیت:

جب بورڈ کا نیا ممبر بنتا ہے تو اس بات کو یقینی بنایا جاتا ہے کہ اسے کمپنی کی تفصیلی معلومات فراہم کی جائیں۔ واقفیت بنیادی طور پر کمپنی کے نقطہ نظر، حکمت عملی، بنیادی قابلیت، تنظیمی ڈھانچے، متعلقہ فریقوں، بڑے خطرات (بیرونی اور اندرونی دونوں) بشمول قانونی و تنظیمی خطرات اور پاکستان کے قوانین کے مطابق ڈائریکٹرز کے کردار اور ذمہ داریوں سمیت حکمت عملی منصوبے تجارتی تجزیے، پیش گوئیاں، بجٹ اور کاروبار کے منصوبوں پر مشتمل ہوتی ہے۔

### ڈائریکٹرز کا تربیتی پروگرام:

کمپنی اس بات کو یقینی بناتی ہے کہ سیکورٹیز اینڈ ایکسچینج کمیشن کے قواعد و ضوابط پر پوری طرح عمل کرے اور سند حاصل کر کے ڈائریکٹرز کے تربیتی پروگرام (ڈی ٹی پی) کے معیار کی شرائط کو پورا کرے۔ پانچ ڈائریکٹرز، ڈائریکٹرز کے تربیتی پروگرام کی استثنیٰ کی شرط کو پورا کرتے ہیں باقی دو ڈائریکٹرز نے ڈائریکٹرز کے تربیتی پروگرام کی سند حاصل کر لی ہے۔

### داخلی مالیاتی کنٹرول:

داخلی کنٹرول کا نظام خود خال کے لحاظ سے بہترین انداز میں نافذ کیا گیا ہے اور اس کی نگرانی کی جارہی ہے۔ مالی بیانات کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو کی گئی ہیں۔ ہم نے اپنی سرگرمیوں کے تمام علاقوں میں وقت کے

ڈائریکٹرز کو باضابطہ آگاہ کر دیا گیا ہے اور انہیں اہم معلومات فراہم کر دی گئی ہیں تاکہ وہ مناسب فیصلے کرنے کے قابل ہو سکیں۔ چیئر مین بورڈ کی سالانہ افادیت کا بحیثیت مجموعی جائزہ لیتے ہیں۔

چیف ایگزیکٹو (سی ای) ایگزیکٹو ڈائریکٹرز میں جو کمپنی کے انتظامی سربراہ کے طور پر بھی کام کرتے ہیں۔ وہ کمپنی کی طویل المدتی حکمت عملی کی تیاری اور اس کے اس طرح نفاذ کے ذمہ دار ہیں کہ اس سے حصص یافتگان اعتماد میں اضافہ ہو۔ چیف ایگزیکٹو کی قائدانہ ذمہ داریوں میں یہ بات بھی شامل ہے کہ وہ یومیہ انتظامی فیصلوں اور کمپنی کے طویل اور قلیل المدتی منصوبوں پر عمل درآمد کے ذمہ دار ہیں وہ کمپنی کی طرف سے حصص یافتگان، ملازمین، سرکاری حکام اور دیگر متعلقین کو معلومات فراہم کرتے ہیں۔

### بورڈ کی کارکردگی کا اندازہ:

مجلس ادارت (بورڈ آف ڈائریکٹرز) کمپنی کے مقاصد اور اہداف کو مد نظر رکھتے ہوئے حصص یافتگان کی جانب سے کمپنی کے گورننگ ٹرسٹی کے طور پر کام کرتی ہے۔ لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) کے ریگولیشن، ۲۰۱۹ء کے تحت، ایک باضابطہ اور موثر نظام تشکیل دیا گیا ہے تاکہ بورڈ کی اپنی سالانہ کارکردگی، بورڈ ممبران اور اس کی کمیٹیوں کو جانچا جاسکے۔

مجلس ادارت نے اپنی کارکردگی جانچنے کے لئے درج ذیل معیار مقرر کیا ہے۔

- ۱۔ اسٹریٹیجک منصوبوں اور کاروباری خطرات کا جائزہ لینا کمپنی کے مستقبل کے منصوبوں کی نگرانی کرنا اور انتظامیہ کو اس بارے میں مشورے دینا۔
- ۲۔ ایک ٹیم کے طور پر کام کرتے ہوئے بورڈ کے پاس درست صلاحیت مہارت اور جدت اپنانے کی مناسب صلاحیت ہے بورڈ کے اجلاسوں میں حکمت عملی اور پالیسی جیسے اہم معاملات پر باقاعدہ توجہ مرکوز رکھی جاتی ہے۔
- ۳۔ کمپنی میں اندرونی کنٹرول کا مناسب نظام تشکیل دینا اور انٹرنل آڈٹ اور خود احتسابی نظام کے ذریعے اس کی مسلسل جانچ پڑتال کرنا۔
- ۴۔ ریگولیشنز، آجر، حصص یافتگان اور سی بی اے جیسے اہم اسٹیک ہولڈرز کے ساتھ مستقل اور کھلی مواصلت بہت مفید ہے۔
- ۵۔ انتظامیہ سے مفید تجاویز لینے کے لئے اس کے ساتھ بہتر روابط قائم کرنا تاکہ فیصلے کرنے میں وہ بورڈ کی مدد کر سکے۔

۶۔ اس بات کو یقینی بنانا کہ ڈائریکٹرز میورینڈم اور آرٹیکل آف ایسوسی ایشن

# ڈائریکٹرز رپورٹ

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے سال کے دوران ہر ڈائریکٹر کی اجلاس میں شرکت کی تعداد درج ذیل ہے:

ڈائریکٹر کے اسمائے گرامی	بورڈ آف ڈائریکٹرز اجلاس	آڈٹ کمیٹی اجلاس	ایچ آر اور آر کمیٹی اجلاس
۱ جناب لیث جی فرعون	*۵		
۲ جناب وائیل جی فرعون	*۵	*۴	*۱
۳ جناب شعیب اے ملک	۵		۱
۴ جناب عبدالستار	۵	۴	۱
۵ جناب ساجد نواز	۴		
۶ جناب شمیم احمد خان	۵	۴	
۷ جناب طارق اقبال خان	۵	۴	

\* غیر ملکی ڈائریکٹرز نے ذاتی طور پر یا متبادل ڈائریکٹرز کے ذریعے اجلاسوں میں شرکت کی۔

## پاکستان سے باہر بورڈ کے منعقدہ اجلاس:

۲۷ فروری ۲۰۲۳ء کو دبئی، متحدہ عرب امارات میں ہونے والی بورڈ مینٹنگ کے علاوہ تمام بورڈ مینٹنگز پاکستان میں منعقد ہوئیں۔

## ڈائریکٹرز کا معاوضہ:

بورڈ کے ڈائریکٹرز کو بورڈ یا ڈائریکٹرز کی کسی بھی کمیٹی کے اجلاسوں میں شرکت کے لئے فیس کا ڈھانچہ وقتاً فوقتاً طے کرنے، جائزہ لینے اور اس میں ترمیم کرنے کا اختیار ہے۔ ڈائریکٹرز یا کمپنیوں کے کسی بھی کمیٹی یا عام اجلاس میں شریک ہونے اور واپس آنے میں ڈائریکٹرز کو تمام سفری ہوٹلوں اور دیگر اخراجات کی باقاعدہ ادائیگی بھی کی جاسکتی ہے۔

۷ ڈائریکٹرز (۲۰۲۲ : ۷) کو فیس کے حوالے سے ان مالیاتی بیانات میں چارج کی گئی مجموعی رقم ۸۵۹،۱۱۰ ہزار روپے (۲۰۲۲ : ۹،۱۳۹ ہزار روپے) تھی۔

اس میں ۷،۷۰۲،۷۰۲ ہزار روپے (۲۰۲۱ : ۵،۶۱۸ ہزار روپے) شامل ہیں جو کہ کمپنی کے ۴ غیر انتظامی ڈائریکٹرز (۲۰۲۲ : ۳) کو ادا کئے گئے۔

## غیر ملکی ڈائریکٹرز کا حفاظتی اجازت نامہ:

پی او ایل کے بورڈ میں منتخب ہونے والے غیر ملکی ڈائریکٹرز کو SECP کے ذریعے وزارت داخلہ سے حفاظتی اجازت نامہ کی ضرورت ہوتی ہے۔ اس بابت تمام قانونی تقاضوں اور ضروریات کو پورا کیا گیا ہے۔

## ڈائریکٹرز اور ایگزیکٹوز کی حصص میں تجارت:

ڈائریکٹرز، چیف ایگزیکٹو اور ایگزیکٹو یا ان کے شریک حیات کے ذریعے کمپنی کے حصص کی ساری بلواسطہ یا بلاواسطہ تجارت کمپنی سیکریٹری کو قیمت، حصص کی تعداد، حصص کی شکل اور لین دین کی نوعیت کے ساتھ تحریری آگاہ کیا جاتا ہے، جو کہ کمپنی سیکریٹری بورڈ کو مقررہ وقت کے اندر مطلع کرتا ہے۔ اس طرح کی تمام ہولڈنگ کا انکشاف پیٹرن آف شیئر ہولڈنگ میں کر دیا گیا ہے۔

## بورڈ اراکین کے مابین مفادات کا تضاد:

کمپنی کے بورڈ اراکین کے مابین اصل یا سمجھے جانے والے تضاد کو ختم کرنے کے لئے ایک ضابطہ بنایا گیا ہے۔ اس ضابطے کے تحت ہر ڈائریکٹر کو کسی معاہدے یا تقرری وغیرہ میں اپنی دلچسپی ظاہر کرنا ہوتی ہے۔ اس بارے میں دیگر بورڈ اراکین کو آگاہ کیا جاتا ہے اور اس بات کو یقینی بنایا جاتا ہے کہ دلچسپی رکھنے والا ڈائریکٹر اس فیصلے میں نہ تو حصہ لے اور نہ ہی ووٹ دے۔ مذکورہ حقائق کے نتائج (اگر کوئی ہیں) تو اجلاس کے نکات میں درج کئے جاتے ہیں۔ مفادات کے اس طرح کے کسی بھی تضاد کو کمپنی کے قانونی رجسٹر میں درج کیا جاتا ہے۔ جبکہ متعلقہ فریقوں کے معاملات کے انکشافات مالی بیانات میں فراہم کیے جاتے ہیں۔

## چیئر مین اور چیف ایگزیکٹو کا کردار:

چیئر مین بورڈ کے اجلاسوں کی سربراہی کرتے ہیں اور مجلسِ امداد (بورڈ) کے کام کو موثر بنانے کو یقینی بناتے ہیں۔ چیئر مین انتظامیہ اور بورڈ کے مابین رابطے کا ذریعہ ہیں ان کے پاس ایجنڈا طے کرنے، ہدایات جاری کرنے اور بورڈ کے اجلاس کے فیصلوں کی یادداشت پر دستخط کرنے کے اختیارات ہیں۔ چیئر مین اس بات کو یقینی بناتے ہیں کہ

بورڈ کی تشکیل یوں کی گئی ہے۔

آزاد ڈائریکٹرز*	جناب شمیم احمد خان جناب آغا شیر شاہ
دوسرے غیر انتظامی ڈائریکٹرز	جناب لیٹ جی فرعون** جناب وائیل جی فرعون*** جناب عبدالستار
انتظامی ڈائریکٹرز	جناب شعیب اے ملک جناب ساجد نواز

\* آزاد ڈائریکٹرز لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ۲۰۱۹ کے ضابطہ (۳) کے معیار پر پورا اترتے ہیں۔

\*\* متبادل ڈائریکٹر جناب شعیب اے ملک، کمپنی کے چیئرمین اور چیف ایگزیکٹو

\*\*\* متبادل ڈائریکٹر جناب بابر بشیر نواز

بورڈ نے درج ذیل اراکین پر مُستعمل کمیٹیاں تشکیل دی ہیں :

### الف) آڈٹ کمیٹی:

جناب شمیم احمد خان چیئرمین	جناب عبدالستار رکن
جناب بابر بشیر نواز رکن	جناب آغا شیر شاہ رکن

### ب) انسانی وسائل اور معاوضہ کمیٹی (HR & R)

جناب بابر بشیر نواز چیئرمین	جناب شعیب اے ملک رکن	جناب عبدالستار رکن
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۵۔ خانگی کنٹرول کے نظام کا ڈیزائن صحیح ہے اور اس پر موثر طریقے سے عمل درآمد اور اس کی نگرانی کی گئی ہے۔

۶۔ کمپنی کو جاری رکھنے کی صلاحیت پر کوئی شکوک و شبہات نہیں ہیں۔

۷۔ کارپوریٹ گورننس کے بہترین طریقوں پر عمل کیا گیا ہے جو کہ لسٹنگ کے ضابطے میں موجود ہیں۔

۸۔ گزشتہ سال کے آپریٹنگ نتائج سے اہم انحراف کو (اگر کوئی ہے تو) ڈائریکٹرز رپورٹ ایجیڈنڈ جازہ میں مناسب طور پر اکاؤنٹس کی تفصیل (Notes) میں بتایا گیا ہے۔

۹۔ مستقبل میں کمپنی کے آپریٹنگ کارپوریٹ تنظیم کو ختم کرنے یا روکنے کے لئے کوئی تجویز پر غور نہیں۔

۱۰۔ گزشتہ چھ سال کے کلیدی آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ اس رپورٹ کے ساتھ منسلک کر دیا گیا ہے۔

۱۱۔ ۳۰ جون ۲۰۲۳ء میں قابل ادائیگی تمام اہم سرکاری محصولات کی سال کے آخر کے بعد منظوری دے دی گئی ہے۔

۱۲۔ ۳۰ جون ۲۰۲۳ء کے تازہ ترین اکاؤنٹس کی بنیاد پر ملازمین کے ریٹائرمنٹ فنڈز میں سرمایہ کاری کی اقدار مندرجہ ذیل ہیں:

مینگنٹ سٹاف پینشن فنڈ	۱،۴۰۶ ملین روپے
گریجویٹی فنڈ	۷۵۸ ملین روپے
سٹاف پراویڈینٹ فنڈ	۶۹۵ ملین روپے
جنرل سٹاف پراویڈینٹ فنڈ	۷۱ ملین روپے

### ڈائریکٹرز اور بورڈ کے اجلاس:

بورڈ کے کل اراکین کی تعداد مندرجہ ذیل ہے :

الف) مرد ۷  
ب) مستورات -

# ڈائریکٹر رپورٹ

گذشتہ تین سالوں میں کام کی جگہ پر حادثات کا موازنہ درج ذیل ہے:

گذشتہ تین سالوں میں HSE ڈیپارٹمنٹ کی جانب سے دی گئی تربیت کا موازنہ درج ذیل ہے:

سال ۲۰۲۳		سال ۲۰۲۲		سال ۲۰۲۱	
شہداء کی تعداد	تربیت	شہداء کی تعداد	تربیت	شہداء کی تعداد	تربیت
۲،۲۸۶	۳۳،۸۰۸	۳۳،۷۳۱	۲،۳۷۵	۲۹،۷۹۲	۲،۲۲۶

حادثات	۲۰۲۳	۲۰۲۲	۲۰۲۱
سگین	۰۰	۰۰	۰۰
آگ	۰۲	۰۲	۰۴
قابل ذکر حادثات (اہم زخم)	۰۰	۰۰	۰۰
قابل ذکر معمولی حادثات (معمولی زخم)	۰۰	۰۰	۰۲
پراپٹی کا نقصان	۰۰	۰۱	۰۰
اہم ماحولیاتی	۰۰	۰۰	۰۰
ابتدائی طبی کیس	۰۴	۰۳	۰۵
میں ہونے کے قریب	۰۱	۰۴	۰۵

## انسانی وسائل (HR)

پی او ایل یقین رکھتی ہے کہ مؤثر انسانی وسائل (HR) مینجمنٹ اور ترقی کی پالیسیوں کے اپنانے سے تنظیمی مقاصد اور اس میں قابل ستائش اضافہ ہوتا ہے۔ پی او ایل کا نظریہ ہے کہ اس کے ملازمین اس کا سب سے قیمتی اثاثہ ہیں۔ انتخاب کے طریقہ کار اور روزگار کی پالیسیوں کو اس طرح بنایا گیا ہے کہ ان قابل اور تعلیم یافتہ ملازمین کو کمپنی کے ساتھ منسلک رکھا جائے جو کمپنی مقاصد کو پورا کرنے کے لئے اپنی بہترین کوششوں سے اہم کردار ادا کرنے کے لئے تیار ہوں۔

ملازمین کی اصل اور مطلوبہ کارکردگی کے درمیان خلیج کو کم کرنے کے لئے تکنیکی مہارتوں پر تربیت دی جاتی ہے یہ تربیتیں ملازمین اور کمپنی کے باہمی فائدے کے لئے ہیں اور ملازمین کو ترقی کے لئے درکار مہارت حاصل کرنے کے مواقع فراہم کرتی ہیں۔

## کارپوریٹ گورننس

- ۱- مالی بیانات، جو کہ کمپنی انتظامیہ کی جانب سے تیار کی گئی ہیں جو منصفانہ امور کی نشاندہی، اپنے آپ پریشنز، نقدی کا بہاؤ اور ایکویٹی میں تبدیلیاں ظاہر کرتی ہیں۔
- ۲- کمپنی کے کھاتوں کی باقاعدہ دستاویزات مرتب کی گئی ہیں۔
- ۳- مناسب مالیاتی پالیسیوں کو تسلسل کے ساتھ مالی بیانات کی تیاری میں لاگو کیا گیا ہے۔ مالیاتی اندازے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- ۴- بین الاقوامی مالیاتی معیار جو کہ پاکستان میں نافذ العمل ہیں کی مالی بیانات کی تیاری میں پیروی کی گئی ہے۔

ضابطوں اور طریقہ کار کا باقاعدگی سے اس لئے جائزہ لیا جاتا ہے تاکہ یقین کیا جائے کہ ہمارے ضابطے صنعت کی بہترین پالیسیوں سے منسلک ہیں۔ ملازمین کو صحت اور تحفظ کی تربیت بھی اس لئے فراہم کی جاتی ہے تاکہ یہ یقین کر لیا جائے کہ وہ کمپنی کے ضابطوں کے مطابق کام کر رہے ہیں۔ اس مقصد کے لئے اپنے ہاں ہی آگ سے تحفظ، ابتدائی طبی امداد، محفوظ ڈرائیونگ اور پیشہ ورانہ صحت اور تحفظ کے بارے میں باقاعدگی سے تربیت بھی دی جاتی ہے۔

کمپنی اس بات کو یقینی بناتی ہے کہ ملازمین اور جہاں نافذ العمل ہوٹھیکیدار بھی کمپنی کے ممکنہ خطرات برائے صحت مند، محفوظ اور دوستانہ کام کے طریقوں کے متعلق آگاہ ہوں۔ پی او ایل تمام ملازمین کے لئے ماہانہ "حفاظتی جملہ" بھی جاری کرتی ہے۔ یہ اقدامات کام کی جگہ پر چوٹوں کو روکنے میں مددگار ثابت ہوئے ہیں۔

باقاعدگی سے تحفظ کی مشقیں بھی یہ یقین کرنے کے لئے کرائی جاتی ہیں کہ ہنگامی حالات کے لئے تمام تیاریاں مکمل ہیں۔ کمپنی کے ہر حصے کے تحفظ کے لئے الگ منصوبہ بندی کی گئی ہے۔ HSE ڈیپارٹمنٹ کی جانب سے Toolbox talks اور فیئلڈ تجرباتی اجلاس ہر فیئلڈ میں باقاعدگی سے منعقد کئے جاتے ہیں۔

## زیر تکمیل آنے والے اہداف:

### پیشہ ورانہ صحت اور تحفظ (OH&S)۔

- پی او ایل انتظامیہ پوری تنظیم میں محفوظ اور صحت مند کام کرنے والے ماحول کو یقینی بنانے اور فروغ دینے کے لئے انتہائی پُر عزم ہے۔
- ہمارا بنیادی مقصد پیشہ ورانہ اور عملیاتی ماحول میں اپنے لوگوں کی حفاظت اور کام کے دوران بچاؤ کے آلات کے استعمال کے علم کو یقینی بنانا ہے۔
- محکمہ ایچ ایس بی بین الاقوامی OHSAS ۳۵۰۰۱:۲۰۱۸ اور آئی ایس او ۱۴۰۰۱:۲۰۱۵ سندوں کے تحت صحت، حفاظت اور ماحول کی نگرانی کر رہا ہے۔ سیفٹی کمیٹی کام والی جگہ میں حفاظت، صحت اور مناسب ماحول کی نگرانی کرتی ہے۔ کمیٹی باقاعدگی سے OH&S نظام، پالیسیوں، کام کی جگہ کے خطرات کو کم کرنے، محفوظ اور صحت مند کام کے ماحول اور اہم OH&S مسائل اور کارکردگی کو فروغ دینے کے پروگراموں پر نظر رکھتی ہے۔
- قانونی ضروریات اور بین الاقوامی معیارات کے علاوہ پی او ایل میں پیشہ ورانہ اور تحقیقی سرگرمیاں داخلی پالیسیوں کے تحت چلائی جاتی ہیں۔ شعبہ جاتی سربراہوں اور تمام مدیران (Managers) کی ذمہ داری ہے کہ وہ پیشہ ورانہ صحت اور ماحولیاتی تحفظ کے پروگرام لاگو کریں اور برقرار رکھیں۔
- تیسری پارٹی آئی ایس او ۳۵۰۰۱:۲۰۱۸ (اوائچ اینڈ ایس) اور آئی ایس او ۱۴۰۰۱:۲۰۱۵ (ای ایم ایس) آڈٹ کئے جاتے ہیں تاکہ حقیقی جذبے سے انتظامیہ کے نظام کی سالمیت کو یقینی بنایا جاسکے۔
- کمپنی نے تمام مقامات پر حادثات کو کم کرنے اور ہنگامی صورتحال سے نمٹنے کے لیے ایک جامع حفاظتی انتظامی نظام بنایا ہے۔ ہنگامی ردعمل کا عملہ تیار کیا گیا ہے۔ جس نے ہنگامی صورتحال سے نمٹنے کے لئے ایک جامع طریقہ کار وضع کیا ہے۔ جس کے تحت ہنگامی تنظیم، ذمہ داریاں، کلیدی ذمہ داران کی فہرست، اہم ٹیلی فون نمبرز، مواصلات کا منصوبہ اور سرگرمیوں کی ترتیب دی گئی ہے تاکہ ہر طرح کی صورت حال کا مقابلہ کیا جاسکے۔

- کھوڑ، میال، بلکسر اور ایس سی آررگ کے لئے آئی ایس او ۳۵۰۰۱:۲۰۱۸ کی دوبارہ تصدیق۔
- ایل پی جی پلانٹ میال کے لئے آئی ایس او ۱۴۰۰۱:۲۰۱۵ کی دوبارہ تصدیق۔
- پی او ایل نیشنل فورم فار انوائرمینٹل اینڈ ہیلتھ (NFEH) اور فار پروفیکشن انڈسٹری آف پاکستان (FPIP) کے زیر اہتمام فار اینڈ سیفٹی ایوارڈز ۲۰۲۳، میں شرکت کرے گا۔
- کیرتھر-2D اور دھرنال-3D کے ارضیاتی اعداد و شمار کے حصول کے لئے آئی ای ای کی تیاری۔
- تمام پی او ایل فیلڈز اور ایس سی آررگ کی سہ ماہی ماحولیاتی نگرانی۔
- بلکسر ڈیپ-1 اے، جنڈیال-3، دھرنال-3D اور کیرتھر-2D ارضیاتی اعداد و شمار کے لئے ماحولیاتی نگرانی (IMC) رپورٹس۔
- بیرونی تربیتی استاد کے ذریعے (IGC) NEBOSH اور H2S لیول-II کی تربیت۔
- حفاظتی نظام کی تربیت۔
- ماہانہ HSE ڈیش بورڈ۔
- تمام شعبوں/ایس سی آررگ میں اندرون خانہ طبی امداد کی تربیت کا انعقاد۔
- تیل کے تمام شعبوں/ایس سی آررگ میں سالانہ ایوارڈ کے لئے فیلڈز کے عملہ کے لئے HSE کی کارکردگی کا جائزہ۔
- کھوڑ پاور ہاؤس، کھوڑ سب اسٹیشن، اور ایس سی آررگ کی CO2 ڈمپنگ سسٹم سلنڈرز کی تیسرے فریق کی ہائیڈرو ٹیسٹنگ۔
- پی او ایل ہاؤس مورگاہ کی ہنگامی فرار کی سیڑھیاں۔
- بلکسر ڈیپ-1 اے میں پاکستان اسٹیل فیلڈز own cascade breathing air system کے ذریعے H2S خدمات۔
- پی او ایل کے جے او (JOs) عملہ کے لئے (تکنیکی و غیر تکنیکی) وسیع آگاہی سیشن۔
- پی او ایل میں ہنگامی ردعمل اور ہنگامی حوالے سے آگاہی سیشن۔
- بلکسر سٹور کے علاقے میں فار وائرٹ نیٹ ورک کی توسیع اور جو یا میر باؤزر فلنگ شیڈ میں سپرنکلنگ سسٹم کی تنصیب۔

# ڈائریکٹرز رپورٹ

CSR کی کچھ سرگرمیاں مندرجہ ذیل ہیں۔

## ۱۔ تعلیم

- ڈاکٹر شاد ٹیکنیکل ایجوکیشن انسٹیٹیوٹ
- ڈاکٹر شاد ڈگری کالج
- پی او ایل ماڈل سیکنڈری سکول
- پی او ایل پیشہ ورانہ تربیتی مرکز

## ۲۔ صحت کی دیکھ بھال اور ہسپتال

- کھوڑ ہسپتال
- صحت کی دیگر سہولیات
- معاشرتی صحت کا پروگرام

## ۳۔ کھیل، ثقافتی، اور مذہبی سرگرمیاں

### ۴۔ بنیادی ڈھانچہ کی ترقی

### ۵۔ پینے کے پانی کی سکیموں کو سپورٹ کرنا

### ۶۔ صحت، تحفظ اور ماحول

## اپنے ماحول کی مدد:

ہم اپنی سرگرمیوں کو اپنے ملازمین، ٹھیکیداروں، قریبی آبادی، زمینی وسائل اور ماحول کو کم سے کم متاثر کرنے بغیر جاری رکھنے کے لئے پُر عزم ہیں۔ ہماری مسلسل دوستانہ ماحول سرگرمیوں کو سہاوتے ہوئے قومی فورم برائے ماحول اور صحت نے میاں ایل پی جی پلانٹ کو آئی ایس او ۱۴۰۰۱ : ۲۰۱۵ ایوارڈ سے نوازا۔

ماحولیاتی اثرات کو زائل کرنے کے لئے اٹھائے گئے تخفیف کے اقدامات میں ٹیکنالوجی، نظام کی ترقی، ماحولیاتی پیرامیٹرز کی نگرانی کی سطح میں اضافہ، نئے منصوبوں کے لئے EIA رپورٹس کی تیاری، EPA کے قابل اطلاق قواعد و ضوابط کے مطابق جاری منصوبوں کے لئے IMC رپورٹس، صنعتی ماحول کے اچھے طریقے اور ویسٹ مینجمنٹ شامل ہیں۔

## متممیل شدہ منصوبے:

- کھوڑ، میاں، بلکسر اور ایس سی آر رگ کے لئے آئی ایس او ۱۴۰۰۱ : ۲۰۱۵ کا دوسرا نگران آڈٹ۔
- ایل پی جی پلانٹ میاں کے لئے آئی ایس او ۱۴۰۰۱ : ۲۰۱۵ کا دوسرا نگران آڈٹ۔
- پنڈوری فیلڈ کے فائر ٹینڈر (HT-3) کی تجدید کاری۔
- پی او ایل نے رگ کی منتقلی اور اسمبلنگ سرگرمیوں کی مسلسل نگرانی، ریسک اسیسمنٹ اور گیپ اینالیسیس کے ذریعے بلکسر ڈیپ-۱ اے میں CCDC رگ-۲ کی منتقلی اور اسمبلنگ سرگرمیوں میں موثر شراکت کو یقینی بنایا۔ کسی بھی خلاء اور کوتاہیوں کو بروقت دور کیا گیا اور موثر کنٹرول کے اقدامات کر کے ان کو کم کیا گیا۔ ایک ٹیم کی کوشش کے طور پر، پوری سرگرمی بغیر کسی معمولی واقعے یا حادثے کے بحفاظت مکمل ہوئی۔
- تمام پی او ایل فیلڈز اور ایس سی آر رگ کی سہ ماہی ماحولیاتی نگرانی۔
- پی او ایل نے ۲۰۲۲ء اور ۲۰۲۳ء کے ماحولیات کا ایکسی لینس ایوارڈ جیتا جس کا اہتمام نیشنل فورم فار انوائرنمنٹل اینڈ ہیلتھ (NFEH) نے کیا تھا۔
- پی او ایل نے نیشنل فورم فار انوائرنمنٹل اینڈ ہیلتھ (NFEH) اور فارن پروفیکشن انڈسٹری آف پاکستان (FPIP) کے زیر اہتمام فارن اینڈ سیفٹی ایوارڈ ۲۰۲۲، جیتا۔
- بلکسر ڈیپ-۱ اے کنویں کے لئے ماحولیاتی نگرانی (IMC) رپورٹس۔
- تیسرے فریق کے ذریعے فیلڈز اور ایس سی آر رگ میں مقررہ اور پورٹبل LEL اور H2S گیس کا پتہ لگانے، شعلے کا پتہ لگانے کے نظام اور بروقت پتہ لگانا/معائنہ کو یقینی بنایا گیا۔
- پی او ایل ہاؤس مورگاہ اور پی او ایل سولر پینل منصوبوں میں قابل شناخت دھویں کا پتہ لگانا/معائنہ کرنا۔
- NIFT کے تربیتی سیشن میں پی او ایل ملازمین نے شرکت کی۔
- پی او ایل کے تمام شعبوں/ایس سی آر رگ میں اندرون خانہ ابتدائی طبی امداد کے تربیتی سیشن منعقد کیے گئے۔
- جنڈیال-۳ کے لئے EIA کی تیاری اور بلکس ڈیپ-۱ اے کنویں کی IEE تیاری۔
- کھوڑ دفاتر کے علاقے، بلکسر میں فائر وائرنیٹ ورک کی توسیع اور بلکسر باؤزر فلنگ شیڈ میں سپرنکلنگ سسٹم کی تنصیب۔

## کاروباری عمل اترقیاتی سرگرمیاں:

کمپنی کا خیال ہے کہ معیار اور مسلسل بہتری اور مضبوط عزم کامیابی حاصل کرنے کے لئے ناگزیر اجزاء ہیں۔ تمام عمل مسلسل تشخیص اور بہتری سے مشروط ہے۔ تیل و گیس کی دریافت اور پیداواری کمپنی کی حیثیت سے تحقیق بنیادی کام ہے۔ ارضیاتی اعداد و شمار کا حصول، عمل اور جیالوجیکل سرگرمیوں کے دوران ان کی تشریح زیادہ سے زیادہ اعداد و شمار کے پیمانوں کا انتخاب محتاط تجرباتی تحقیق کے ذریعے ہی ممکن ہے۔ کمپنی کسی بھی جگہ میں ہائیڈروکاربن کے حجم کو ماپنے کے لئے جامع تجزیہ کرتی ہے، کسی بھی جگہ کھدائی سے پہلے ذیلی سطح کی جدید ذرائع سے منظر کشی بھی کرتی ہے۔

یہ تحقیق اپنے اور بیرونی G&G ذرائع اور ذخائر کے مطالعہ کے ذریعے کی جاتی ہے۔ تحقیق اس لئے بھی کی جاتی ہے تاکہ فیڈ بک سے حاصل ہونے والی پیداوار کو نہ صرف برقرار رکھا جائے بلکہ اس میں مزید اضافہ کیا جائے۔ ان اترقیاتی کنوؤں کی کھدائی کے ساتھ ساتھ جو پہلے جغرافیائی محل وقوع میں بیان کر دیئے گئے۔ اس سال درج ذیل بڑے کاروباری اترقیاتی منصوبے شروع کئے گئے ہیں۔

## پی او ایل آئی ٹی کی درجہ بندی:

انسانی وسائل کے انتظام کا نظام: ہیڈ آفس میں آن لائن رخصت کے انتظامی ماڈل کو کامیابی سے نافذ کیا ہے۔ نئی ٹیکنالوجی کے مطابق موجودہ ایچ آر ایم ایس (HRMS) تبدیلی کی تشخیص کا عمل جاری ہے۔

## لوکل ایریا نیٹ ورک

- پی او ایل میں متروک نیٹ ورک سوچنے کی مرحلہ وار تبدیلی
- لوکل ایریا نیٹ ورک کی توسیع۔ پی او ایل بلکس ہسپتال۔

## پی او ایل پریسیس ہسٹورین

- ہسٹورین سرور کے ساتھ پی او ایل پائپ لائن ڈیٹا کا انضمام۔
- کھوڑ پاور ہاؤس ڈیٹا کا انضمام۔

## سی سی ٹی وی مانیٹرنگ اور کنٹرول

- سی سی ٹی وی ایف میں سی سی ٹی وی نظام کی تنصیب۔
- پول گیس ڈھلیاں سی سی ٹی وی نظام کی ترقی۔

## کارپوریٹ سماجی ذمہ داری (CSR):

اس شعبے میں کمپنی کی مضبوط وابستگی اس کی طرف سے پیش کردہ ایک جامع نظام سے ظاہر ہوتی ہے جس پر کمپنی عمل پیرا ہے۔ کمپنی ان علاقوں کی سماجی و معاشی ترقی پر خصوصی توجہ مرکوز کیے ہوئے ہے جہاں یہ کام کر رہی ہے۔

ہمارے CSR پروگرام کا بنیادی مقصد ہے کہ:

- اپنے ماحول کی حفاظت
- ذمہ داری سے کام کرنا
- جن علاقوں میں ہم کام کریں ان کی ترقی میں حصہ ڈالیں
- اپنے کام کے معیار کو برقرار رکھنا اور سمجندہ طرز زندگی کی وکالت
- دیانتداری کے ساتھ کام اور اعلیٰ ترین اخلاقی معیارات کو برقرار رکھنا
- کام کے تنوع کو فروغ دینا اور متنوع سپلائرز کے ساتھ شراکت داری
- ایک محفوظ، صحت مند کام کی جگہ کو یقینی بنانا۔

جہاں قابل اطلاق ہے وہاں کمپنی نے متعلقہ ڈپٹی کمشنرز کے ساتھ مشترکہ بینک اکاؤنٹس میں ڈیپازٹس جمع کر کے سماجی بہبود کی ذمہ داریوں کو پورا کیا ہے۔

کمپنی نے ایک منظم سماجی سرمایہ کاری پروگرام کے ذریعے معاشرے میں قائدانہ کردار ادا کیا ہے۔

جن کمیونٹیز میں ہم کام کرتے ہیں ان میں سرمایہ کاری کرنا صرف ایک مطالبہ نہیں جسے پورا کرنا ضروری ہے بلکہ یہ ایک فلسفہ ہے جسے ہم خریدتے ہیں۔ اپنی بنیادی اقدار کے طور پر، کمپنی ان کمیونٹیز کی فلاح و بہبود کے لئے بہت اہمیت رکھتی ہے جن میں وہ کام کرتی ہے۔

ہمارا CSR وسیع سرگرمیوں پر مشتمل ہے جن میں سکولوں، کالجوں اور صحت کے مراکز کی تعمیر، سڑکوں اور پلوں کی تعمیر انسانی اور سماجی کام کرنے والی تنظیموں کی حمایت اور کھیلوں کا انعقاد ہیں۔ ہمیں اپنی ترقی پر فخر ہے، لیکن پھر بھی ہمیں بہت کچھ کرنا ہے جس کی ہم منصوبہ بندی کر رہے ہیں۔

ملک میں حالیہ تباہ کن سیلاب نے لاکھوں افراد کو متاثر کیا ہے اور سڑکوں، پلوں، مویشیوں اور فصلوں سمیت بنیادی ڈھانچے کے بڑے نقصانات کے ساتھ ساتھ بے گھر اور بے روزگار کر دیا ہے۔

ایک اہم E&P کمپنی کے طور پر، پاکستان آئل فیئلڈز لمیٹیڈ (پی او ایل) قوم کے لئے اس المناک لمحے میں لوگوں کے ساتھ کھڑا رہا۔ قومی پچاؤ امدادی کاروائیوں میں حصہ ڈالنے کے لئے، پی او ایل اور اس کے عملے نے انک آئل کمپنی (اے او سی) کے ذریعے وزیر اعظم کے فلڈ ریلیف فنڈ ۲۰۲۲ء میں ۳۱.۲۸ ملین روپے کا عطیہ دیا۔



خود مختار ادارے سے ذخائر کی تصدیق کرواتا ہے۔

بنیاد پران منصوبوں کے انتظامی اور پیداواری معاملات بگڑنا تاخیر کا باعث بن سکتے ہیں۔ اس کے تدارک کے لئے ہم انتظامی اور غیر انتظامی شراکت داروں سے باہم رابطے میں رہتے ہیں اور کام کو جاری رکھنے کے لئے انہیں درکار ذرائع / معلومات اور منظوریوں فراہم کرتے ہیں۔

قوانین اور ماحولیاتی قواعد و ضوابط: تیل و گیس کی صنعت حکومتی قوانین کے مطابق قواعد و ضوابط کی سختی سے عمل درآمد کی پابندی ہوتی ہے۔ اس معاملے میں کوتاہی سے سنگین نتائج برآمد ہو سکتے ہیں۔ E&P کمپنیوں کو کسی بھی پروجیکٹ پر کام کرتے وقت لازماً اضافی احتیاطی اقدامات اٹھانے پڑتے ہیں۔ ان قواعد و ضوابط پر عمل نہ کرنے کی صورت میں اضافی اخراجات، جرمانوں، قانونی چارہ جوئی، کام کے رک جانے اور انسانی جانوں کو لاحق خطرات کا سامنا کرنا پڑتا ہے۔

۱۲۔ دہشت گردوں کے حملے: دہشت گردوں کا حملہ ہمارے کاروبار پر بہت زیادہ منفی اثرات مرتب کر سکتا ہے۔ اس خطرے کے تدارک کے لئے کمپنی نے اپنی تمام اہم تنصیبات کے لئے دہشت گردی کی صورت میں نقصان پورا کرنے کے لئے باقاعدہ انشورنس کرائی ہوئی ہے۔

۸۔ بڑھتا ہوا مقابلہ: تیل اور گیس کی تلاش اور پیداوار کے شعبے میں بڑھتے ہوئے مقابلے اور خاص طور پر تیل کی تلاش کے concession کے حصول کے بڑھتے ہوئے مقابلے کی صورت حال کا سامنا ہو سکتا ہے۔ اس کے علاوہ مقابلے میں اضافہ، مارجن میں کمی اور ایل پی جی کی فراہمی میں خلل سے کمپنی کے ایل پی جی کے کاروبار پر منفی اثرات پڑ سکتے ہیں۔ کمپنی فارم ان اور فارم آؤٹ معاہدوں کے ذریعے اور E&P کمپنیوں سے شراکت قائم کرنے کے لئے مسلسل کوشاں ہے۔ کمپنی کا ایل پی جی کا کاروبار بڑھتے ہوئے مقابلے، مارجن میں کمی اور ایل پی جی کے ذرائع میں کمی سے بری طرح متاثر ہوتا ہے ایل پی جی ذخیرہ کرنے کی مناسب صلاحیت حاصل کر لی ہے اور مزید ایل پی جی کی پائیدار اور مناسب قیمت پر فراہمی کے لیے کوشاں ہے۔

۱۳۔ تیسرے فریق کی حیثیت سے ذمہ داری: تیسرے فریق کی حیثیت سے ذمہ داری ہمارے کاروبار پر بہت زیادہ منفی اثرات مرتب کر سکتی ہے۔ اس خطرے کے تدارک کے لئے کمپنی مسلسل ایسے معاملات کا جائزہ لیتی رہتی ہے جہاں انشورنس کی ضرورت ہے، کمپنی نے اپنے کنوؤں کی کھدائی کے علاقوں، پائپ لائنوں اور اہم تنصیبات کے لئے تیسرے فریق کی حیثیت سے ذمہ داری کی انشورنس کروائی ہوئی ہے۔

۹۔ انفارمیشن ٹیکنالوجی (آئی ٹی) کی ناکامی: آج کے ماحول میں جہاں آئی ٹی پر انحصار، قوانین اور رپورٹنگ کی حتمی معیاد پوری کرنی ہوں وہاں آئی ٹی کی ناکامی سے کمپنی کی سرگرمیوں پر منفی اثرات پڑنے کا اندیشہ ہے۔ تمام متعلقہ معاملات کے کنٹرول اور نگرانی خاص طور پر تمام اعداد و شمار کی حفاظت کے لئے ایک علیحدہ IT شعبہ بنایا گیا ہے۔

۱۴۔ انسانی وسائل کے خطرات: متبادل کی منصوبہ بندی نہ ہونا بڑے نقصان کا باعث بن سکتی ہے۔ کمپنی نے ہر شعبے کی اراگانوگرام اور کام کی تفصیلات تیار کی ہیں۔ نئی آسامیوں اور تبدیلیوں پر فوری عمل درآمد ہوتا ہے اور باقاعدہ اشتہار دیا جاتا ہے۔

۱۰۔ معاشی اور سیاسی خطرات: معاشی اور سیاسی عدم استحکام کے نتیجے میں اقتصادی اور مالیاتی بازاروں کا غیر محفوظ ہونا۔

۱۵۔ کنوؤں میں کھوجانا یا مرمت کے قابل نہ رہنا: کھدائی کے دوران بہت سے مہنگے آلات کنوؤں میں مختلف گہرائیوں میں داخل کیے جاتے ہیں۔ اس خطرے کے تدارک کے لئے کمپنی بھرپور نظر رکھتی ہے۔ اور ان آلات کی انشورنس بھی کراتی ہے۔

۱۱۔ باہمی شراکت دار: تمام E&P کمپنیوں میں باہمی شراکت داری میں اضافہ ہو رہا ہے۔ اس کے ذریعے دوسروں کی مہارت اور وسائل سے استفادہ کر کے فائدہ اٹھاتے ہیں۔ خاص طور پر جب قطعاً / بلاکس نئے ہوں اور مشکلات بھی بہت ہوں،

۱۶۔ تیل کی قیمت میں اضافہ: کمپنی انتظامی اخراجات کو کم رکھنے اور فیڈ بک کو قابل عمل رکھنے کے لئے ڈیزل سے گیس تک سستے متبادل پر جانے کی کوشش کر رہی ہے۔

انتظامی اخراجات بھی زیادہ ہوں تب کمپنیوں کو دوسرے شراکت دار ساتھ شامل کرنے پڑتے ہیں تاکہ ان کی مہارت سے استفادہ کیا جاسکے اور اخراجات میں بھی شراکت ہو سکے۔ ہم باہمی اشتراک کے ماحول میں کام کر رہے ہیں اور ہمارے کئی منصوبے دیگر شراکت دار چلاتے ہیں۔ ہمارے تھوڑے حصے کی وجہ سے کئی دفعہ شراکت داروں پر

۱۷۔ ایس این جی ایل (SNGPL) لائن دباؤ میں اضافہ: مسلسل بڑھتے ہوئے ایس این جی ایل لائن کے دباؤ کی وجہ سے ایس این جی ایل نیٹ ورک میں گیس داخل کرنا مشکل ہو گیا ہے۔ پیداواری گیس کو نذر آتش ہونے سے بچانے کے لئے کمپنی

اثر انداز ہونے کی صلاحیت محدود ہو جاتی ہے۔ کئی اہم فیصلوں پر ہم آہنگی نہ ہونے کی

ایس این جی ایل کے لائن کے دباؤ کی مسلسل نگرانی کر رہی ہے اور اس نے اپنی ترسیل کے دباؤ کو بڑھانے کا عمل شروع کر دیا گیا ہے۔

۱۸۔ واجب الادا وصولیاں: کمپنی جلد از جلد رسیدیں جاری کرتی ہے اور خود کا نظام سے جاری کردہ رپورٹس کے ذریعے وصولی کی پوزیشن کی مسلسل نگرانی کر رہی ہے۔ جہاں ضرورت ہو، کمپنی اپنی رسیدوں کی فوری وصولی کے لئے ریفاہنریوں اور ایس این جی ایل کے ساتھ مسلسل رابطہ رکھتی ہے۔

ہے۔ حسب ضرورت ۱۶۴ لائن کلومیٹر کیا عداد و شمار بھی حاصل کئے جا رہے ہیں۔

حالیہ بولی میں پی او ایل نے بطور آپریٹر (۱۰۰ فیصد) ملتانائی بلاک جیتا۔ ایوارڈ کے بعد بولی لگانے کا عمل ڈی جی پی سی کے ساتھ جاری ہے۔

۲۲ نومبر ۲۰۲۲ء کو چاہہ بولی دریافتی لائسنس اوجی ڈی سی ایل (۷۰ فی صد حصص کے ساتھ آپریٹر) اور پی او ایل (۳۰ فی صد حصص) کو دیا گیا۔

### ذیلی ادارہ :

کیپ گیس (پرائیویٹ) لمیٹڈ:

۱ مسال کیپ گیس نے بعد از ٹیکس ۶۵.۴ ملین روپے نفع کمایا (۲۰۲۲ : ۲۷.۸ ملین روپے) ۲۰۲۳ء کے لئے کل ۹۵.۵٪ منافع کا اعلان کیا گیا ہے۔ (۲۰۲۲: ۶۰: ۲۰۰۰ فی صد)۔ سال کے دوران، کیپ گیس نے اوسط ۲۲ میٹرک ٹن پومیہ مائع پٹرولیم گیس حاصل کی۔

### خام تیل کی نقل و حمل:

کھوڑ خام تیل ڈیکلنگ کی سہولت اور دیگر پائپ لائنز سے اطمینان بخش طریقے سے کام جاری ہے۔ دوران سال اس سہولت اور پائپ لائن کے ذریعے ۸.۹ ملین بیرل خام تیل (۲۰۲۲ : ۶.۶ ملین بیرل) نشپ (Nashpa)، تل بلاک اور دیگر مقامات سے انک ریفرنسری لمیٹڈ کو پمپ کیا گیا۔

### خطرات اور مواقع:

بورڈ ایک بنیادی انتظامی اہلیت کے طور پر موبو کاروباری خطرات کے تدارک کے فلسفے کے لئے پُر عزم ہے۔ بورڈ نے خطرات کی پالیسی اور نظام کی تشکیل کے ذریعے ایک منظم طریقہ کار قائم کیا ہے۔ کمپنی خطرات کے تدارک کے نظام کو بہتر کرنے، نافذ کرنے اور مسلسل نگرانی کرنے پر عمل پیرا ہے۔ خطرات کی نشاندہی اور ترجیحات مقرر کی گئی ہیں تاکہ ان خطرات سے بہتر طریقے سے نمٹا جاسکے۔

کمپنی کو درپیش کچھ بڑے ممکنہ خطرات اپنے تدارک کے لئے کئے اقدامات سمیت مندرجہ ذیل ہیں :

۱۔ تیل کی قیمت میں اتار چڑھاؤ: کمپنی کی تیل اور گیس کی قیمتیں بین الاقوامی خام تیل

اور متعلقہ مصنوعات سے منسلک ہیں۔ بین الاقوامی قیمتوں میں ناموافق تبدیلی کمپنی کے منافع پر منفی اثر ڈالتی ہے۔

۲۔ دریافتی خطرات: دریافتی عمل کے دوران ہائیڈروکاربنز کے مناسب مقدار میں نہ ملنے کا قوی امکان رہتا ہے۔ اس کی بڑی وجوہات میں رقبے یا کھدائی کی جگہ کا غلط انتخاب، غیر معیاری ارضیاتی اعداد و شمار یا اس کی پرسوننگ میں غلطیاں شامل ہیں۔ ان ممکنہ خطرات کا تدارک کرنے کے لیے کمپنی تجربہ کار ماہرین کی خدمات حاصل کرتے ہوئے جدید ترین ٹیکنالوجی کا استعمال یقینی بناتی ہے۔ کمپنی نئے مواقع تلاش کرنے کے لئے مسلسل کوشاں رہتی ہے اور کامیابی کے امکانات کو بڑھانے کے لئے E&P کمپنیوں کے ساتھ مختلف معاہدوں کے ذریعے دست تعاون بڑھاتی ہے۔

۳۔ کھدائی کے دوران درپیش ممکنہ خطرات: تیل اور گیس کے لیے کھدائی فطری طور پر خطرات سے پُر ہے جن میں کنویں کا نذر آتش ہونا، پائپ یا دیگر آلات کا پھنس جانا، آگ کے حادثات اور کام کے دوران چوٹ لگ جانا شامل ہیں۔ اس کے علاوہ مناسب مقدار میں تیل یا گیس نہ دریافت ہونے سے کمپنی کی آمدنی پر منفی اثر پڑتا ہے۔ ان خطرات کے تدارک کے لیے کمپنی موثر اور پیشہ ور افراد کا انتخاب کرتی ہے اور رگ اور اس سے وابستہ خدمات اور آلات کے لیے بھی اعلیٰ معیار کو یقینی بنایا جاتا ہے۔ اس کے علاوہ تمام کنوؤں کی دوران کھدائی کنویں کی کنٹرول کی انشورنس کرائی جاتی ہے۔

۴۔ تیل اور گیس کے اہم فییلڈز (قطعہ) کی کارکردگی میں کمی: کمپنی کی مستقبل کی آمدنی اور منافع اس کے تیل اور گیس کی فییلڈز کی پیداوار اور ذخائر پر منحصر ہے۔ فییلڈز کی اصل پیداوار تیل اور گیس کے ذخائر کی کارکردگی میں کمی یا پیداوار سے متعلقہ دیگر عوامل کی وجہ سے اندازوں سے یکسر مختلف ہو سکتی ہے۔

۵۔ منصوبہ بندی سے متعلق ممکنہ خطرات: خریداری کے عمل میں کمزوری کمپنی کے منافع میں ممکنہ خطرے کا باعث ہے۔ یہ کمزوری مندرجہ ذیل ممکنہ خطرات کو جنم دے سکتی ہے:

۔ کاروباری خطرات

۔ انتظامی سامان کا وقت پر نہ موجود ہونا

۔ معاہدوں سے متعلق جرائموں کا امکان ہونا

کمپنی ان ممکنہ خطرات کے تدارک کے لیے کھدائی شروع کرنے سے پہلے کنویں کا تفصیلی خاکہ تیار کرتی ہے اور جس سامان کے پمپنگ میں طویل مدت درکار ہوتی ہے، ان کی خریداری کا پہلے آرڈر دے دیا جاتا ہے۔

۶۔ ذخائر کے متعلق خطرات: ذخائر اور پیداوار کے غلط زائد تخمینہ کے نتیجے میں سرمایہ ضائع ہو سکتا ہے۔ اس لیے اس خطرے کو کم کرنے کے لیے جہاں تک ممکن ہو کمپنی ایک

## ڈائریکٹرز رپورٹ

آہدی۔ ۳۵ کو ۲۷ جنوری ۲۰۲۳ء کو ہدف کی گہرائی تک کھودا گیا۔ کھیوڑہ فارمیشن کا تجربہ کیا گیا جس میں پانی ملا اور ٹورٹو برا فارمیشن کی جانچ کی تیاری جاری ہے۔

آہدی جنوبی۔ ۶ کو ۱۸ جون ۲۰۲۳ء کو کھودا گیا اور ۵،۰۰۰ فٹ پر کھدائی جاری ہے۔

آہدی جنوبی۔ ۸ اور ۹ کی منظوری شراکت داروں کی جانب سے دے دی گئی ہے۔

رتانہ ترقیاتی و پیداواری لیز (زیر انتظام اور نیٹ پیٹرولیم لمیٹڈ جہاں پی او ایل کا حصہ ۵۴ فی صد ہے) رتانہ ۱/۵ کی منظوری شراکت داروں کی جانب سے دے دی گئی ہے۔

### دریافتی قطعات :

اخلاص بلاک (۸۰ فی صد حصص کے ساتھ زیر انتظام پی او ایل) جنڈیال۔ ۳ کو حتمی شکل دے دی گئی ہے۔ کھدائی کا آغاز ستمبر ۲۰۲۳ء میں متوقع ہے۔ علاقے میں اجازت کے مسائل کی وجہ سے لنگڑیال 3D ارضیاتی اعداد و شمار کے حصول کا منصوبہ مکمل نہ ہو سکا۔ بولی کے عمل کے ذریعے نیا منصوبہ شروع کیا گیا ہے۔

ڈی جی خان بلاک (۷۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام)، ڈی جی کے۔ ۱ دریافتی کنواں ۱۵،۲۰۶ فٹ کی گہرائی تک کھودا گیا لیکن سوراخ کے لاگ حاصل کرنے کے لئے سوراخ کی صفائی نہیں کی گئی۔ کنڈیشننگ کے دوران ۲۵۵ فٹ فش سوراخ میں رہ گئی اور کئی کوششوں کے باوجود فش نکلنے میں کوئی کامیابی نہیں مل سکی۔ سینٹ کے پلگ لگائے اور چلتن فارمیشن کا تجربہ کیا لیکن کوئی ہائیڈروکاربن نہیں نکلا۔ بالآخر، کنواں پلگ کر کے بند کر دیا گیا۔ ڈی جی خان بلاک کی بقیہ لیڈز کا جائزہ لیا جا رہا ہے۔

شمالی دھرنال بلاک (۶۰ فی صد حصص کے ساتھ زیر انتظام پی او ایل) ۲۸۵.۳ مربع کلومیٹر 3D ارضیاتی اعداد و شمار کا جائزہ لینے کے لئے ڈیزائن کا مطالعہ مکمل کر لیا گیا ہے اور اعداد و شمار کے حصول کے لئے بولی کا عمل جاری ہے۔

مارگلہ بلاک (زیر انتظام مول جہاں پی او ایل کا حصہ ۳۰ فی صد ہے)، ترنول۔ ۲۰ ستمبر ۲۰۲۲ء کو کھودا گیا۔ کھدائی کے دوران تخمینہ شدہ فارمیشنز کا سامنا نہیں کیا گیا اور کنویں کو پلگ کر کے چھوڑ دیا گیا۔

تل بلاک (زیر انتظام مول جہاں پی او ایل کا قبل از تجارتی پیداوار حصہ ۲۵ فی صد ہے) ایک دریافتی کنواں رازگیر، ایک ترقیاتی کنواں لکوڑی۔ ۳ اور لکوڑی شرقی۔ ۵ کی منظوری کاروباری شراکت داروں کی جانب سے دے دی گئی ہے۔ 3D ارضیاتی اعداد و شمار کی تشریح پر مبنی ایک دریافتی کنواں رازگیر مشترکہ کاروباری شراکت داروں نے منظور کیا ہے۔ لکوڑی، لکوڑی ڈیپ، ہیلبینا ٹنگ، کوٹ جنوبی کی 3D ارضیاتی اعداد و شمار کی تشریح مکمل کر لی گئی ہے جبکہ کاہی شمالی، سروزی، سروزی ڈیپ، منزلی جنوبی، منزلی ڈیپ لیڈز پر تشریح کا عمل جاری ہے۔

مامی خیل جنوبی۔ ۱ : مامی خیل جنوبی سے پیداوار شروع ہو چکی ہے۔ حکومت نے تھرڈ پارٹی کو گیس کی فروخت کی اجازت دے دی ہے۔ فی الحال، خریدار کی صلاحیت کی کمی کی وجہ سے کم چوک سائز پر کنویں سے پیداوار ہو رہی ہے۔

حصال بلاک (زیر انتظام پی او ایل جہاں پی او ایل کا حصہ ۲۵ فی صد ہے) ۲۳۵ مربع کلومیٹر کے 3D ارضیاتی اعداد و شمار کا حصول مکمل کر لیا گیا ہے اور فریکچر کی شناخت کا مطالعہ کرنے کی کارروائی جاری ہے۔

گرگلوٹ بلاک (زیر انتظام اوجی ڈی سی ایل جہاں پی او ایل کا حصہ ۲۰ فی صد ہے) 3D ارضیاتی اعداد و شمار کے حصول کا کام مکمل ہو چکا ہے۔ گرگلوٹ X-1 کے زیر زمین مقام کو حتمی شکل دے دی گئی ہے اور منصوبہ بندی جاری ہے۔

توہنگ بلاک (زیر انتظام ماری پٹرولیم جہاں پی او ایل کا حصہ ۴۰ فی صد ہے)، ۳۴۰.۹۳ مربع کلومیٹر 3D ارضیاتی اعداد و شمار کے حصول کا کام مکمل ہو چکا ہے اور لیڈز کی شناخت کے لئے تشریح مکمل کر لی گئی ہے۔

زریلی بلاک (زیر انتظام ماری پٹرولیم جہاں پی او ایل کا حصہ ۳۲ فی صد ہے)، ۴۵۶ لائن کلومیٹر کے لئے 2D ارضیاتی اعداد و شمار کے حصول کی منظوری دی جا چکی

## کیش کا بہاؤ:

زیر جائزہ مدت میں کمپنی کی یومیہ پیداوار بشمول مشترکہ منصوبوں کے اوسطاً یوں رہی:  
خام تیل ۵،۰۱۲ بیرلز یومیہ، گیس ۶۳،۹۸ ملین سٹینڈرڈ مکعب فٹ، مائع پٹرولیم گیس  
۱۳۵.۶۸ میٹرک ٹن، سلفر ۱.۶ میٹرک ٹن اور سالونٹ آئل ۵۰ بیرلز۔

دوران سال کیش اور کیش کے مساوی ۳۷،۴۲۸.۴ ملین روپے اضافہ ہوا (۲۰۲۲ء :  
۲۰،۱۵۰ ملین روپے) انتظامی سرگرمیوں سے کیش کے بہاؤ میں مہیا ہونے والی رقم  
۲۹،۱۶۳ ملین روپے (۲۰۲۲ء : ۲۷،۹۰۶ ملین روپے) رہی۔

## دریافتی اور ترقیاتی سرگرمیاں:

### پیداواری قطععات:

بلکسر ڈیپ-1A کنواں ۱۲۶ اپریل ۲۰۲۳ء کو کھودا گیا تھا، ۱۰،۳۰۰ فٹ پر کھدائی  
جاری ہے۔ کنویں کی متوقع کل گہرائی ۱۴،۴۱۰ فٹ ہے۔ کنویں کا بنیادی مقصد مرکزی  
بلکسر ڈھانچے کے نیچے دوسری شیٹ کی چورنگی اور سیکس فرامیشنز کی ہائیڈروکاربن  
صلاحیت کو جانچنا ہے۔

### معیشت میں شراکت:

کمپنی ملک کے تیل و گیس کے شعبے میں اپنا اہم کردار جاری رکھے ہوئے ہے۔ دوران  
سال کمپنی نے ملک کے لئے ۴۱۹ ملین امریکی ڈالر کا زر مبادلہ بچایا۔ (۲۰۲۲ء :  
۵۳۸ ملین امریکی ڈالر) رائیٹی اور دیگر سرکاری مالیات کی مد میں ۲۹،۲۲۷ ملین  
روپے (۲۰۲۲ء : ۲۵،۲۳۱ ملین روپے) ملکی خزانے میں شامل کیے گئے۔

## منافع:

پنڈوری (۳۵ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) ۶۰ مربع کلومیٹر کا  
3D سیمیک ایکوزیشن منصوبہ مکمل ہو چکا ہے اور چورنگی کی تشکیل کے امکانات کا جائزہ  
لینے اور ضائع شدہ تیل کی پیداوار کے امکانات کا جائزہ لینے کے لئے ڈیٹا پروسیسنگ  
جاری ہے۔

ڈائریکٹرز نے حتمی نقد منافع ۶۰۰٪ (۶۰ روپے فی حصص) تجویز کیا ہے۔ یہ منافع پہلے  
سے اعلان کردہ اور حصص داران کو ادائ شدہ عبوری نقد منافع ۲۰۰٪ (۲۰ روپے فی حصص)  
کے علاوہ ہے۔ یوں برائے سال ۲۳-۲۰۲۲ء فی حصص کل نقد منافع ۸۰ روپے فی  
حصص رہا (۲۲-۲۰۲۱ء کل نقد منافع ۷۰ روپے فی حصص)۔

## پیداوار:

تک بلاک (زیر انتظام مول جہاں قبل از تجارتی پیداوار پی او ایل کا حصہ ۲۵ فی صد ہے)  
مکوڑی شرقی۔ ۵ سائیزٹریک کوپ ڈپ لوکیشن کے لئے منظوری دے دی گئی ہے۔  
مزید براں، تونج غربی اور مکوڑی شرقی قطععات کی ترقی کے لئے کھدائی کے موزوں  
مقامات کی وضاحت جاری ہے۔

کمپنی کی اپنی اور دیگر انتظامی و غیر انتظامی مشترکہ منصوبوں سے حاصل شدہ متناسب  
پیداوار کا موازنہ درج ذیل ہے:

آہدی فیلڈ (زیر انتظام پاکستان پیٹرولیم لمیٹڈ جہاں پی او ایل کا حصہ ۱۱ فی صد ہے)،  
آہدی جنوبی۔ ۷ کنویں کی کھدائی کا آغاز ۱۳ اپریل، ۲۰۲۲ء کو ہوا ہدف کی گہرائی تک  
کھودا گیا۔ فی الحال یہ کنواں پیداواری لائن سے منسلک ہے اور اس وقت تقریباً  
۰.۷۶ ملین کیوبک فٹ گیس یومیہ اور تقریباً ۴۰۸ بیرل تیل یومیہ پیدا کر رہا ہے۔

آہدی جنوبی۔ ۵ کوہدف کی گہرائی تک ٹیسٹ کیا اور کوئی ہائیڈروکاربن نہیں ملا، فریک  
جاب بھی کامیاب نہ ہو سکا، اس کے بعد اس کنویں کو بھی سائیزٹریک کیا گیا، یومیہ ۲۱۶  
بیرل تیل اور ۰.۲۲ ملین کیوبک فٹ گیس کا تجربہ کیا گیا۔

	۳۰ جون ۲۰۲۳ء	۳۰ جون ۲۰۲۲ء		
خام تیل	۱،۸۲۹،۳۳۶	۲،۰۱۷،۵۸۱	یو ایس بیرل	
گیس	۲۳،۷۲۶	۲۵،۸۲۵	ملین کیوبک فٹ	
مائع پٹرولیم گیس (LPG)	۵۳،۱۷۷	۵۵،۴۱۸	میٹرک ٹن	
سلفر	۶۰۹	۴۷۵	میٹرک ٹن	
سالونٹ آئل	۱۸،۳۳۳	۱۸،۶۰۵	یو ایس بیرل	

# ڈائریکٹرز رپورٹ

شروع اللہ کے نام سے جو بے حد مہربان نہایت رحم کرنے والا ہے۔  
السلام علیکم!

ڈائریکٹرز کو ۳۰ جون ۲۰۲۳ء کو ختم ہونے والے سال کے لئے کمپنی کے مالیاتی نتائج اور سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

کہ فی حصص مجموعی منافع ۱۳۱.۲۹ روپے (۲۰۲۲ء : ۹۴.۲۸ فی حصص) رہا۔  
دریافتی سرگرمیوں کا احاطہ آگے ہرجزرافیائی علاقے کی تفصیل کے ساتھ اس رپورٹ میں کیا گیا ہے۔

## ڈائریکٹرز:

۱۲ جون ۲۰۲۳ء کو منعقدہ بائیسویں (۲۲ویں) غیر معمولی اجلاس عام میں، ۲۷ جون ۲۰۲۳ء سے تین سال کی مدت کے لئے ایک نئے بورڈ آف ڈائریکٹرز کا انتخاب کیا گیا جو کہ درج ذیل ہے:

- ۱۔ جناب لیٹ جی۔ فرعون
- ۲۔ جناب وائیل جی۔ فرعون
- ۳۔ جناب شعیب اے۔ ملک
- ۴۔ جناب ساجد نواز
- ۵۔ جناب عبدالستار
- ۶۔ جناب شمیم احمد خان
- ۷۔ جناب آغا شیر شاہ

## مالیاتی نتائج:

خلاصہ درج ذیل ہے:

رقم (۱۰۰۰)	
۲۹,۶۵۸,۶۵۹	منافع تمام اخراجات کے بعد
(۱۳,۲۰۶,۰۷۷)	ٹیکسیشن
۳۶,۴۵۴,۵۸۲	منافع بعد از ٹیکس

الحمد للہ! امسال کمپنی نے بعد از ٹیکس ۳۶,۴۵۴,۵۸۲ ملین روپے نفع کمایا جو گذشتہ برس (۲۰۲۲ء : ۲۵,۹۳۵ ملین روپے) کی نسبت ۴۰.۵۵ فیصد زائد رہا۔ اس شاندار کارکردگی کی بدولت فی حصص آمدنی ۲۸.۴۲ روپے رہی۔ (۲۰۲۲ء : ۹۱.۳۷ روپے فی حصص)۔ منافع میں اس متاثر کن اضافے کی نمایاں وجہ تیل اور گیس کی قیمتوں میں روپے امریکی ڈالر کی برابری کے مثبت اثرات کے ساتھ ساتھ مالیاتی اثاثوں پر زرمبادلہ کے فوائد، شرح منافع اور ڈپازٹس میں اضافہ ہے۔ اس میں کسی حد تک دریافتی لاگت میں اضافہ اور پیداوار میں اثر انداز ہوئی۔ دریافتی حصہ میں دریافتی لاگت میں ۵,۸۳۳ ملین روپے کے اضافے کے ساتھ گل خرچ ۶,۷۲۰ ملین روپے رہا (۲۰۲۲ء : ۸,۷۷۷ ملین روپے)۔ اس اضافے کی وجہ ڈی جی خان اور مارگلہ بلاکس میں واقع دو خشک کنوں کی لاگت کا دریافتی اخراجات میں شمولیت کا فیصلہ ہے۔ اس کے باوجود، دریافت کے لئے ہمارا عزم غیر متزلزل ہے، کیونکہ ہم اس شعبے میں امید افزاء مواقع کی تلاش میں سرگرداں رہتے ہیں۔ جبکہ اس سال بھی چیلنج کا سامنا رہا، جیسے کہ خام تیل کی پیداوار میں ۹ فیصد کمی، گیس کی پیداوار میں ۸ فیصد کمی، اور ایل پی جی کی پیداوار گزشتہ سال کے مقابلے میں بنیادی طور پر ذخائر کی قدرتی کمی کی وجہ سے ۴ فیصد کم رہی۔ پیداواری صلاحیتوں کو بہتر بنانے کے لئے ہماری آگے بڑھنے کی ثابت قدمی ہماری حکمت عملی کا سنگ بنیاد رہے گی۔ دوران سال کمپنی کا بعد از ٹیکس مجموعی منافع ۳۰,۳۰۰ ملین روپے رہا (۲۰۲۲ء : ۲۶,۷۷۷ ملین روپے) جو ظاہر کرتا ہے

## کمپنیوں کی تشکیل:

بورڈ نے درج ذیل اراکین پر مشتمل کمیٹیاں تشکیل دی ہیں:

## آڈٹ کمیٹی

جناب شمیم احمد خان چیئر مین	جناب عبدالستار رکن
جناب بابر بشیر نواز رکن	جناب آغا شیر شاہ رکن

## انسانی وسائل اور معاوضہ کمیٹی (HR & R)

جناب بابر بشیر نواز چیئر مین	جناب شعیب اے ملک رکن	جناب عبدالستار رکن
	متبادل ڈائریکٹر جناب لیٹ جی۔ فرعون	

# Performance Indicators

(Rupees millions unless otherwise stated)

	2018	2019	2020	2021	2022	2023
<b>PROFIT &amp; LOSS SUMMARY</b>						
Net sales						
Crude oil	17,598	22,374	17,264	17,940	29,718	33,564
Gas	8,573	13,618	12,481	11,714	12,269	15,841
POLGAS-Refill of cylinders	6,306	7,420	6,567	6,190	9,673	11,029
Solvent oil	180	246	220	189	285	490
Sulphur	8	10	8	9	-	29
<b>Total Net Sales</b>	<b>32,665</b>	<b>43,668</b>	<b>36,540</b>	<b>36,042</b>	<b>51,945</b>	<b>60,953</b>
Cost of sales	15,529	18,258	14,172	14,409	17,997	19,215
Gross profit	17,136	25,410	22,368	21,633	33,948	41,738
Exploration costs	2,990	2,049	1,405	494	877	6,720
Administration expenses	170	181	192	195	206	312
Finance costs	1,919	3,774	2,212	260	5,549	9,620
Other charges	967	1,728	1,383	1,545	2,026	2,489
Other income	3,262	7,177	4,558	1,539	11,697	27,062
Profit before taxation	14,352	24,855	21,734	20,678	36,987	49,659
Provision for taxation	2,969	7,983	5,358	7,296	11,052	13,206
Profit for the year	11,383	16,872	16,376	13,382	25,935	36,453
Earnings before interest, taxes, depreciation and amortization (EBITDA)	18,897	29,798	25,643	24,357	41,786	52,440
Dividends	10,053	14,193	14,193	14,193	19,870	22,708
<b>BALANCE SHEET SUMMARY</b>						
Paid-up capital	2,365	2,839	2,839	2,839	2,839	2,839
Reserves	1,760	1,758	1,758	1,758	1,758	1,758
Unappropriated profit	28,643	33,475	35,670	34,766	46,467	63,091
Long term deposits	837	845	861	873	895	925
Deferred liabilities	15,643	17,057	20,027	19,978	24,970	30,761
Current liabilities	20,917	25,516	30,441	34,130	41,125	59,665
Fixed assets (less depreciation)	9,405	8,499	7,542	6,680	6,702	5,903
Development & decommissioning costs	12,597	11,054	12,356	13,673	10,209	7,825
Exploration & evaluation assets	2,591	53	2,773	512	3,020	1,761
Long term investment	9,616	9,616	9,616	9,616	9,616	9,616
Other long term assets	15	26	27	37	30	36
Current assets	35,943	52,242	59,282	63,826	88,477	133,898
<b>CASH FLOWS</b>						
Operating activities	19,327	21,425	23,263	19,480	27,906	29,164
Investing activities	(3,361)	137	(2,706)	452	(921)	3,879
Financing activities	(10,022)	(11,570)	(14,170)	(14,163)	(14,162)	(10,395)
Exchange rate effect	1,407	4,236	900	(1,245)	7,327	14,780
Opening Balance	14,182	21,533	35,761	43,048	47,572	67,723
Cash and cash equivalents at year end	21,533	35,761	43,048	47,572	67,723	105,151
<b>OTHER INFORMATION</b>						
Contribution to national exchequer (Rs millions)	10,981	18,601	14,142	16,864	25,231	29,227
Foreign exchange savings(US \$ million)	465	520	320	344	538	420
Customer satisfaction Index <sup>1</sup>	-	-	-	-	-	-
Stores & spares as %age of Assets	5.09	4.81	4.91	4.94	4.87	3.78
Maintenance cost as %age of Operating expenses	0.59	0.56	0.82	0.65	0.57	0.85
Market Capitalization (Rs millions)	158,909	115,214	99,528	111,799	115,191	114,044
No. of Shareholders	4,954	5,756	7,090	7,597	7,858	8,372

(Rupees millions unless otherwise stated)

		2018	2019	2020	2021	2022	2023
<b>KEY FINANCIAL RATIOS</b>							
<b>Profitability Ratios</b>							
Gross profit	%	52.46	58.19	61.22	60.02	65.35	68.48
Net profit to sales	%	34.85	38.64	44.82	37.13	49.93	59.81
EBITDA margin to sales	%	57.85	68.24	70.18	67.58	80.44	86.03
Operating leverage	Time	0.83	1.12	0.88	0.88	1.11	1.07
Return on equity	%	34.74	44.32	40.67	34.00	50.79	53.85
Return on average capital employed	%	35.43	47.63	41.81	33.61	57.36	61.39
Shareholders funds (Rs millions)		32,769	38,071	40,267	39,362	51,063	67,687
Shareholders' fund	%	46.70	46.72	43.96	41.72	43.25	42.56
Return on shareholders' funds	%	34.74	44.32	40.67	34.00	50.79	53.85
Total shareholders' return	%	37.35%	-47.02%	-25.93%	-1.93%	-14.74%	-20.71%
<b>Liquidity Ratios</b>							
Current ratio	Time	1.72	2.05	1.95	1.87	2.15	2.24
Quick ratio	Time	1.53	1.87	1.78	1.71	1.99	2.13
Cash to current liabilities	Time	1.03	1.40	1.41	1.39	1.65	1.76
Cash flow from operations to sales	%	59.17	49.06	63.66	54.05	53.72	47.85
Cash flow to capital expenditures	%	22.18	3.92	18.37	3.64	6.75	8.22
Cash flow coverage ratio <sup>4</sup>	%	-	-	-	-	-	-
<b>Activity / Turnover Ratios</b>							
Inventory turnover <sup>1</sup>	Days	-	-	-	-	-	-
Debtors turnover	Time	5.66	5.09	4.42	4.81	6.00	5.37
Average collection period	Days	64.49	71.71	82.58	75.88	60.83	67.97
Creditors turnover <sup>1</sup>	Time	-	-	-	-	-	-
Average payment period <sup>1</sup>	Days	-	-	-	-	-	-
Total assets turnover	Time	0.51	0.58	0.42	0.39	0.49	0.44
Fixed assets turnover	Time	1.31	1.98	1.73	1.66	2.55	3.44
Operating cycle <sup>1</sup>	Time	-	-	-	-	-	-
<b>Investment / Market Ratios</b>							
Earnings per share - basic <sup>2</sup>	Rs	48.13	59.44	57.69	47.14	91.37	128.42
Earnings per share - restated <sup>3</sup>	Rs	40.10	59.44	57.69	47.14	91.37	128.42
Price earning ratio	Times	13.96	6.83	6.08	8.35	4.44	3.13
Price to Book ratio	Times	5.82	3.03	2.47	2.84	2.26	1.68
Cash dividend yield	%	7.52	9.28	13.22	13.43	17.51	19.81
Cash dividend payout	%	88.31	84.12	86.67	106.06	76.61	62.29
Cash dividend cover	%	113.24	118.88	115.38	94.29	130.52	160.53
Cash dividend per share	Rs	42.50	50.00	50.00	50.00	70.00	80.00
Bonus shares	%	20.00	-	-	-	-	-
Market value / share at year end	Rs	671.79	405.89	350.63	393.86	405.81	401.77
Market value/share-high during the year	Rs	719.00	680.00	486.00	443.00	424.90	460.00
Market value/share-low during the year	Rs	419.90	363.51	223.03	304.50	328.00	340.00
Market value/share-average during the year	Rs	587.07	504.21	374.43	392.19	378.67	405.21
Break-up value (Net assets/shares)	Rs	138.53	134.12	141.86	138.67	179.89	238.46
Free Cash Flows (Rs millions)		14,552	20,025	16,526	17,746	23,336	23,383
Economic value added (EVA) (Rs millions)		7,268	9,745	10,399	6,939	15,980	24,995
<b>Capital Structure Ratios</b>							
Financial leverage ratio <sup>4</sup>	%	-	-	-	-	-	-
Weighted average cost of debt <sup>4</sup>	%	-	-	-	-	-	-
Debt: equity ratio <sup>4</sup>	%	-	-	-	-	-	-
Net Assets per share	Rs	247.19	287.08	322.69	332.37	415.90	560.28
Interest cover <sup>4</sup>	Time	-	-	-	-	-	-

**Notes:**

1- Not applicable in view of the nature of the company's business.

3- Calculated on shares outstanding as at June 30, 2023.

2- Calculated on shares outstanding as at June 30, of each year.

4- Not applicable as the Company does not have debt.

# Independent Auditor's Review Report

To the Members of Pakistan Oilfields Limited

Review Report on the Statement of Compliance Contained in Listed Companies  
(Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Oilfields Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Further, we highlight content of paragraph 1 of the statement where the matter of representation of female director on the Board of Directors of the Company has been explained.



**Chartered Accountants**

Islamabad

Date: August 30, 2023

UDIN: CR202310053KQTOCwSMd



# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2023

The Company has complied with the requirements of the regulations in the following manners:

1. The total number of directors are seven as per the following, -

- a. Male: 7
- b. Female: None

The regulation related to representation of female director on the Board is not yet applicable as the manner and terms and conditions are not specified by the Securities and Exchange Commission of Pakistan at the time of election of Directors of the Company.

2. The composition of the Board is as follows:

Category	Names
i. Independent Directors ***	Mr. Shamim Ahmad Khan Mr. Agha Sher Shah
ii. Other Non-Executive Directors	Mr. Laith G. Pharaon * Mr. Wael G. Pharaon** Mr. Abdus Sattar
iii. Executive Directors	Mr. Shuaib A. Malik Mr. Sajid Nawaz

\* Alternate Director Mr. Shuaib A. Malik, Chairman & Chief Executive Pakistan Oilfields Limited

\*\* Alternate Director Mr. Babar Bashir Nawaz

\*\*\* Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contribution. Therefore, the fraction (2.3) has not been rounded up.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Out of seven directors, five directors meet the exemption requirement of the Directors’ Training Program and two directors have obtained the Directors’ Training Program certification in prior years;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. The Company Secretary and Chief Financial Officer is the same person, however, duties of both positions are distinct and clearly spelled out. Since long both these positions are handled by one person who has in-depth knowledge required by both positions and the Company is very much satisfied. Further, it has less financial burden on the Company.

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2023

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

Name	Role
Mr. Shamim Ahmad Khan	Chairman
Mr. Abdus Sattar	Member
Mr. Babar Bashir Nawaz	Member
Mr. Agha Sher Shah	Member

b) HR and Remuneration Committee

Name	Role
Mr. Babar Bashir Nawaz	Chairman *
Mr. Shuaib A. Malik	Member
Mr. Abdus Sattar	Member

\* Chairman of HR & Remuneration Committee is a non-executive director having vast experience of management and the Board considers him the most suitable for this position who has the required knowledge and experience.

A constitutional petition filed by the Company is currently pending in the Sindh High Court challenging compliance with below mentioned requirements and to declare that the impugned provisions, namely Section 166, proviso to Section 154 of the Companies Act 2017; Regulations 6,7,9,16,28 and 29 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 [which are now replaced by Regulation 6, 7, 9, 27, 28 (Regulation 16 of 2017 Regulations deleted) of the Listed Companies (Code of Corporate Governance) Regulations, 2019]; S.R.O 556(i)/2018; and S.R.O 73(i)/2018 relating to appointment of independent directors on the Board of Directors, appointment of independent director as Chairman of the Audit Committee and HR & Remuneration Committee, appointment of female director on the Board and appointment of separate persons as Chairman of the Board and Chief Executive of the Company are illegal and unconstitutional

and to strike them down; and to further declare that shareholders are lawfully entitled to elect Directors and to elect a Chairman of the Board of Directors without reference to the impugned provisions. The law officer of Securities and Exchange Commission of Pakistan has undertaken that no action contrary to the law would be taken against the Company.

The Chairman and Chief Executive is the same person. The duties of both positions are distinct and clearly spelled out. These positions are handled by one person since long who is managing the affairs of the Company successfully. He has exhaustive knowledge and experience of the Company's business and the Board is very much satisfied and considers him the most suitable person for these positions.

The Board itself has constituted Audit Committee and HR & Remuneration Committee and also feels that there is no need to have separate Nomination Committee.

The Board itself and through its Audit Committee continuously reviews business risks facing the Company to ensure that a sound system of risk identification, risk management and implementation of related systemic and internal controls exists. Major risks and mitigating factors are also published in annual report of the Company. The Board feels that there is no need to have separate Risk Management Committee.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

Committee	Frequency
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly

15. The Board has set up an effective internal audit function.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. Also refer paragraph 1 of the Statement.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been given in paragraph 10 & 12.



**SHUAIB A. MALIK**  
Chairman & Chief Executive

**Rawalpindi**  
August 29, 2023



**ABDUS SATTAR**  
Director

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# Independent Auditors' Report

## To the members of Pakistan Oilfields Limited Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of Pakistan Oilfields Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
(i)	<p><b>Analysis of impairment of development and decommissioning costs and exploration and evaluation assets</b></p> <p><i>(Refer note 4.13, 14 and 15 to the financial statements)</i></p> <p>As at June 30, 2023, the development and decommissioning costs amounted to Rs 7,825 million and exploration and evaluation assets amounted to Rs 1,761 million.</p> <p>The Company assesses at the end of each reporting period whether there is any indication that a Cash Generating Unit (CGU) may be impaired.</p> <p>Where impairment indicator is triggered for any CGU, an impairment test is performed by the management based on estimates of the value in use of that CGU.</p> <p>The calculation of value in use of development and decommissioning costs requires the exercise of significant management’s estimates and judgements on certain assumptions such as (i) estimation of the volume of oil and gas recoverable reserves; (ii) estimation of future oil and gas prices; (iii) cost profiles and inflation applied; (iv) foreign exchange rates; and (v) discount rates.</p> <p>We considered this matter as key audit matter due to significant value of the related assets at reporting date and due to significance of judgements used by management.</p>	<p>Our audit procedures in relation to management’s impairment test, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the methodology used by management to estimate value in use of each CGU;</li> <li>• Assessed the assumptions of cash flow projections in calculation of the value in use of CGUs, challenging the reasonableness of key assumptions i.e. oil and gas reserves, oil and gas prices, production costs, foreign exchange rates and discount rates based on our knowledge of the business and industry by comparing the assumptions to historical results, and published market and industry data;</li> <li>• Assessed the impairment indicators as per IFRS 6 “Exploration for and Evaluation of Mineral Resources” for material balances included in exploration and evaluation assets;</li> <li>• Performed sensitivity analysis in consideration of the potential impact of reasonably possible downside changes in assumptions relating to oil and gas prices, discount rate and other assumptions and;</li> <li>• Assessed the appropriateness of disclosures made in the financial statements.</li> </ul>
(ii)	<p><b>Investment in associated company</b></p> <p><i>(Refer note 4.14 and 16 to the financial statements)</i></p> <p>The Company has investment in its associated company National Refinery Limited (NRL). As at June 30, 2023, the carrying amount of investment in above referred associated company amounted to Rs 8,047 million which carrying value is higher by Rs 5,048 million in relation to the quoted market value of such shares. The Company carries out impairment assessment, at each reporting period end, of the value of investment where there are indicators of impairment.</p>	<p>Our audit procedures in relation to assessment of carrying value of investment in associated company, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of management’s accounting for investment in associated company;</li> <li>• Understood management’s process for identifying the existence of impairment indicators in respect of investment in associated company;</li> <li>• Evaluated the independent external investment advisor’s competence, capabilities and objectivity;</li> <li>• Made inquiries of the independent external investment advisor and assessed the valuation methodology used;</li> </ul>

S.No.	Key Audit Matters	How the matter was addressed in our audit
	<p>The Company has assessed the recoverable amount of the investment in associated company based on the higher of the Value-In-Use (“VIU”) and fair value (quoted market price as at June 30, 2023). VIU is based on a valuation analysis carried out by an independent external investment advisor engaged by the Company using a discounted cash flow model which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows.</p> <p>In view of significant management judgement involved in the estimation of VIU, we consider this as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Checked, on sample basis the reasonableness of the input data provided by the management to the independent external investment advisor, to supporting evidence;</li> <li>• Assessed the reasonableness of cash flow projections, challenging and performing audit procedures on assumptions such as growth rate, future revenue and costs, terminal growth rate and discount rate by comparing the assumptions to historical results, budgets and comparing the current year’s results with prior year forecast and other relevant information;</li> <li>• Checked mathematical accuracy of cash flows projection;</li> <li>• Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions;</li> <li>• Checked quoted price of investment in NRL as of June 30, 2023 with publicly available stock exchange data; and</li> <li>• Assessed the appropriateness of the Company’s disclosures in the financial statements in this respect.</li> </ul>
(iii)	<p><b>Recognition of Revenue</b></p> <p><i>(Refer note 4.24 and 25 to the financial statements)</i></p> <p>The Company is engaged in the production and sale of oil and gas resources.</p> <p>The Company recognised net sales during the year from the sale of crude oil, gas and POLGAS – Refill of cylinders amounting to Rs 33,564 million, Rs 15,841 million and Rs 11,029 million respectively.</p> <p>Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer’s acceptance of the product. Revenue is measured at the fair value of the consideration to which the Company expects to be entitled in exchange for transferring good / services. Effect of adjustments, if any, arising from revision in sale prices is reflected as and when the prices are finalised with the customers and / or approved by Government of Pakistan.</p>	<p>Our audit procedures in relation to the matter, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the design, implementation and operating effectiveness of the relevant key internal controls over revenue recognition from the sale of products;</li> <li>• Performed test of details on sample basis for sales transactions by inspecting respective invoices, delivery challans and acknowledgement of customers;</li> <li>• Checked on sample basis, notifications of OGRA for gas and POLGAS prices. For POLGAS, also checked on sample basis Company’s mechanism for the calculation of price based on OGRA’s notification. Performed, on; a sample basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements / decision of Economic Coordination Committee of the Cabinet;</li> </ul>

S.No.	Key Audit Matters	How the matter was addressed in our audit
	<p>We considered this as key audit matter due to the significance of the amounts requiring significant time and resource to audit due to magnitude, inherent risk of material misstatement and revenue being a key economic indicator of the Company.</p>	<ul style="list-style-type: none"> <li>• Where pricing is provisional / sales agreement not finalised, (a) inspected correspondence with the customers and relevant government authorities during the year and held discussions with the Company; (b) inspected term sheets etc; and (c) checked price recorded is in line with applicable petroleum policy / agreed with the customers;</li> <li>• Assessed sales transactions on either side of the statement of financial position date to assess whether they are recorded in relevant accounting period;</li> <li>• Performed analytical procedures to analyse variation in the price and quantity sold during the year;</li> <li>• Tested journal entries related to revenue recognized during the year based on identified risk criteria; and</li> <li>• Assessed the appropriateness of disclosures made in the financial statements.</li> </ul>
(iv)	<p><b>Litigation with respect to conversion of TAL Block petroleum concession to Petroleum Policy 2012</b></p> <p><i>(Refer note 25.1 to the financial statements)</i></p> <p>The Ministry of Energy (Petroleum Division) issued a notification dated December 27, 2017 (SRO) which required that the Supplemental Agreement already executed in respect of TAL block for conversion of petroleum concession from Petroleum Exploration and Production Policy 1997 to Petroleum Exploration and Production Policy 2012 shall be amended (within 90 days) to include Windfall Levy on Oil and Condensate (WLO), failing which the working interest owners will not remain eligible for gas price incentive as per Petroleum Policy 2012. The impugned notification was issued after the approval of Council of Common Interest (CCI) dated November 24, 2017.</p> <p>The Company challenged the said notification in the Islamabad High Court and the matter is pending before the Court in principle on the ground that an already executed arrangement cannot be retrospectively altered unilaterally. The Honourable Court has restrained the Government for any action under the impugned notification and to maintain status quo. Company's contention is duly supported by the legal advice on the matter.</p>	<p>Our audit procedures in relation to the matter, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Inspected Petroleum Concession Agreement (PCA) and Supplemental Agreements signed with the Government of Pakistan;</li> <li>• Checked SRO issued by the Ministry of Energy;</li> <li>• Checked relevant clauses of Petroleum Exploration &amp; Production Policy 2012 for applicability of WLO;</li> <li>• Discussed the matter with directors, management and internal legal department of the Company;</li> <li>• Obtained confirmation from the Company's external legal advisor and checked legal opinion obtained by the Company and the order issued by the Islamabad High Court;</li> <li>• Evaluated technical ability of the internal and external legal advisors used by the Company;</li> <li>• Assessed the matter under applicable accounting frame work; and</li> <li>• Assessed the appropriateness of disclosures made in the financial statements in respect of this matter.</li> </ul>



S.No.	Key Audit Matters	How the matter was addressed in our audit
	<p>The supplemental agreement was signed under the conversion package where gas price was enhanced and WLO was not applicable. The impugned SRO, by giving retrospective effect, amounted to taking away the vested rights already accrued in favour of the Company. As per the legal opinion Government has no authority to give any law or policy a retrospective effect.</p> <p>The Company has not recognised the revenue (net of sales tax) to the extent of Rs 25,266 million since inception to June 30, 2023 on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 and will be accounted for upon resolution of this matter.</p> <p>We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.</p>	

### Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company’s financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.

**Chartered Accountants**

Islamabad

**Date:** August 30, 2023

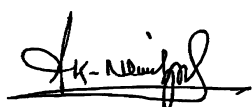
**UDIN:** AR2023100538okgCTRnp

# Statement of Financial Position

As at June 30, 2023

	Note	2023	2022
		Rupees ('000)	
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital	6	5,000,000	5,000,000
Issued, subscribed and paid up capital	6	2,838,551	2,838,551
Revenue reserves	7	64,848,658	48,224,910
		67,687,209	51,063,461
<b>NON CURRENT LIABILITIES</b>			
Long term deposits	8	924,820	895,565
Deferred liabilities			
- Deferred tax liability		4,667,144	5,844,433
- Provisions		26,093,605	19,125,971
	9	30,760,749	24,970,404
		31,685,569	25,865,969
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	10	37,912,225	31,056,163
Unpaid dividend - awaiting remittance by the authorized bank	11	9,433,214	-
Unclaimed dividend		317,153	275,702
Provision for income tax		12,003,268	9,792,637
		59,665,860	41,124,502
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		
		159,038,638	118,053,932

The annexed notes 1 to 46 form an integral part of these financial statements.



Khalid Nafees  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

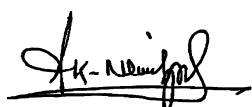
		2023	2022
	Note	Rupees ('000)	
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	13	5,902,792	6,702,511
Development and decommissioning costs	14	7,825,449	10,209,126
Exploration and evaluation assets	15	1,760,799	3,019,833
		15,489,040	19,931,470
<b>LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES</b>			
	16	9,615,603	9,615,603
<b>LONG TERM LOANS AND ADVANCES</b>			
	17	35,987	29,590
<b>CURRENT ASSETS</b>			
Stores and spares	18	6,004,002	5,753,133
Stock in trade	19	577,479	384,649
Trade debts	20	12,733,069	9,967,152
Advances, deposits, prepayments and other receivables	21	8,320,383	4,649,659
Other financial assets	22	1,112,163	-
Short term investments	23	34,855,131	-
Cash and bank balances	24	70,295,781	67,722,676
		133,898,008	88,477,269
		159,038,638	118,053,932

# Statement of Profit or Loss

For the year ended June 30, 2023

		2023	2022
	Note	Rupees ('000)	
<b>SALES</b>		65,983,520	58,394,092
Sales tax		(4,807,064)	(6,203,987)
Excise duty		(224,174)	(245,203)
<b>NET SALES</b>	25	60,952,282	51,944,902
Operating costs	26	(11,159,973)	(9,115,363)
Royalty		(6,880,170)	(5,563,309)
Amortization of development and decommissioning costs	27	(1,175,285)	(3,318,737)
		(19,215,428)	(17,997,409)
<b>GROSS PROFIT</b>		41,736,854	33,947,493
Exploration costs	28	(6,719,577)	(877,038)
		35,017,277	33,070,455
Administration expenses	29	(312,111)	(205,632)
Finance costs - net	30	(9,619,432)	(5,548,542)
Other charges	31	(2,489,048)	(2,026,370)
		(12,420,591)	(7,780,544)
		22,596,686	25,289,911
Other income - net	32	27,061,973	11,697,469
<b>PROFIT BEFORE TAXATION</b>		49,658,659	36,987,380
Provision for taxation	33	(13,206,077)	(11,052,267)
<b>PROFIT FOR THE YEAR</b>		36,452,582	25,935,113
Earnings per share - Basic and diluted (Rupees)	40	128.42	91.37

The annexed notes 1 to 46 form an integral part of these financial statements.



Khalid Nafees  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



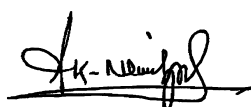
Abdus Sattar  
Director

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>Profit for the year</b>	36,452,582	25,935,113
<b>Other comprehensive income / (loss) for the year</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement gain / (loss) on staff retirement benefit plans	64,099	(60,235)
Tax (charge) / credit relating to remeasurement loss on staff retirement benefit plans	(23,076)	19,275
<b>Other comprehensive income / (loss) for the year, net of tax</b>	41,023	(40,960)
<b>Total comprehensive income for the year</b>	36,493,605	25,894,153

The annexed notes 1 to 46 form an integral part of these financial statements.



Khalid Nafees  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



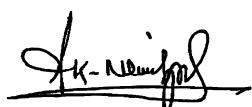
Abdus Sattar  
Director

# Statement of Changes in Equity

For the year ended June 30, 2023

	Share capital	Revenue reserves			Total
		Insurance reserve	Investment reserve	Unappropriated profit	
	Rupees ('000)				
<b>Balance at June 30, 2021</b>	2,838,551	200,000	1,557,794	34,765,718	39,362,063
Total comprehensive income for the year:					
Profit for the year	-	-	-	25,935,113	25,935,113
Other comprehensive (loss)	-	-	-	(40,960)	(40,960)
	-	-	-	25,894,153	25,894,153
Transactions with owners:					
Final dividend @ Rs 30 per share - Year ended June 30, 2021	-	-	-	(8,515,653)	(8,515,653)
Interim dividend @ Rs 20 per share - Year ended June 30, 2022	-	-	-	(5,677,102)	(5,677,102)
Total transactions with owners	-	-	-	(14,192,755)	(14,192,755)
<b>Balance at June 30, 2022</b>	2,838,551	200,000	1,557,794	46,467,116	51,063,461
Total comprehensive income for the year:					
Profit for the year	-	-	-	36,452,582	36,452,582
Other comprehensive income	-	-	-	41,023	41,023
	-	-	-	36,493,605	36,493,605
Transactions with owners:					
Final dividend @ Rs 50 per share - Year ended June 30, 2022	-	-	-	(14,192,755)	(14,192,755)
Interim dividend @ Rs 20 per share - Year ended June 30, 2023	-	-	-	(5,677,102)	(5,677,102)
Total transactions with owners	-	-	-	(19,869,857)	(19,869,857)
<b>Balance at June 30, 2023</b>	2,838,551	200,000	1,557,794	63,090,864	67,687,209

The annexed notes 1 to 46 form an integral part of these financial statements.



Khalid Nafees  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

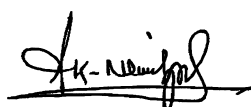


# Statement of Cash Flows

For the year ended June 30, 2023

		2023	2022
	Note	Rupees ('000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		59,172,845	49,995,416
Operating and exploration costs paid		(11,008,183)	(7,672,724)
Royalty paid		(6,804,726)	(5,244,873)
Taxes paid		(12,195,811)	(9,171,786)
Cash provided by operating activities	35	29,164,125	27,906,033
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(5,781,362)	(4,570,241)
Proceeds from disposal of property, plant and equipment		7,288	6,088
Income on bank deposits and investments at amortised cost		10,102,103	3,116,215
Investment in mutual funds - net		(1,109,245)	917
Dividend income received		660,102	526,278
Cash generated from / (used in) investing activities		3,878,886	(920,743)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(10,395,192)	(14,161,548)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>			
		14,780,417	7,326,728
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		37,428,236	20,150,470
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>			
		67,722,676	47,572,206
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>			
	39	105,150,912	67,722,676

The annexed notes 1 to 46 form an integral part of these financial statements.



Khalid Nafees  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

## 1. LEGAL STATUS AND OPERATIONS

Pakistan Oilfields Limited (the Company) is incorporated in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Morgah, Rawalpindi. The Company is principally engaged in exploration, drilling and production of crude oil and gas in Pakistan. Its activities also include marketing of liquefied petroleum gas under the brand name POLGAS and transmission of petroleum. The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Coral Holding Limited.

Geographical location and addresses of all other business units of the Company have been disclosed in note 44.

## 2. STATEMENT OF COMPLIANCE

These are separate financial statements of the Company. These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

### 3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2023 & January 1, 2024
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IFRS 4	Insurance Contracts (Amendments)	January 1, 2023
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2024

### 3.2 The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation / disclosures.

Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified or has been waived off by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)
- IFRS 17 (Insurance Contracts)
- IFRIC 12 (Service concession arrangements)

**3.3** The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 67 (I)/2023 dated January 20, 2023, in partial modification of its previous S.R.O. 985(1)/2019 and S.R.O 1177 (I)/2021 dated September 2, 2019 and September 13, 2021 respectively, has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of expected credit loss (ECL) model shall not be applicable till December 31, 2024, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. The Company has assessed that the above does not have any significant impact on its financial statements.

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **4.1 Basis of measurement**

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policy notes.

### **4.2 Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

### **4.3 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistan Rupees, which is the Company's functional currency.

### **4.4 Foreign currency transactions and translation**

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange ruling on the date of the statement of financial position. Exchange differences are dealt with through the statement of profit or loss.

### **4.5 Taxation**

Provision for current taxation is based on taxable income at applicable tax rates, adjusted for royalty payments to the Government.

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

Deferred tax is accounted for on all temporary differences using the liability method. Deferred tax liability has been calculated at the estimated effective rate of 36% (2022: 32%) after taking into account availability of future depletion allowance and set off available in respect of royalty payments to the Government.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 4.6 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

## 4.7 Provision for decommissioning costs

Provision for decommissioning costs is recognized in full for development wells and production facilities. The amount recognized is the present value of the estimated cost to abandon a well and remove production facilities. A corresponding intangible asset of an amount equivalent to the provision is also created and is amortized on unit of production basis over the total proved developed reserves of the field or @ 5% where the life of a field is more than 20 years.

Most of these abandonment and removal events are many years in the future and the precise requirements that will have to be met when the abandonment and removal event actually occurs are uncertain. Abandonment and asset removal technologies and costs are constantly changing, as are political, environmental, safety and public expectations. Consequently, the timing and amount of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed annually, together with the interest rate to be used in discounting the cash flows. Any difference between the liability recognized and actual costs incurred are charged/credited to statement of profit or loss in the year of decommissioning.

The effect of changes resulting from revisions to the estimate of the liability are incorporated on a prospective basis.

The decommissioning cost has been discounted at a real discount rate of 2.15% (2022: 1.00%) per annum.

## 4.8 Employee compensated absences

The Company provides for compensated absences for all eligible employees in accordance with the rules of the Company.

## 4.9 Staff retirement benefits

The Company operates the following staff retirement benefits plans:

- (i) A pension plan for its management staff and a gratuity plan for its management and non-management staff. The pension and gratuity plans are invested through approved trust funds. Both are defined benefit final salary plans. The pension and gratuity plans are complementary plans for management staff. Pension payable to management staff is reduced by an amount determined by the actuary equivalent to amount paid by the gratuity fund. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Actuarial valuations are conducted annually using the "Projected Unit Credit Method" and the latest valuation was conducted as at June 30, 2023.

Actuarial gain and losses arising from experience adjustments and change in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in statement of profit or loss.

Since both are complementary plans, combined details and valuation for pension plan and gratuity plan are given in note 38.

- (ii) Separate approved contributory provident funds for management and non-management employees for which contributions are made by the Company and the employee at the rate of 10% of basic salary. Charge included in these financial statements is Rs 38,900 thousand (2022: Rs 31,779 thousand).

#### **4.10 Trade and other payables**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

#### **4.11 Contingent liabilities**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

#### **4.12 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for freehold land and capital work in progress, which are stated at cost less accumulated impairment losses (if any).

Depreciation is provided on straight line method at rates specified in note 13.1 to the financial statements. Depreciation is charged on additions from the month the assets become available for the intended use up to the month in which these are derecognized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" in the statement of profit or loss.

#### **4.13 Exploration assets / costs and development costs**

- 4.13.1** Exploration and development costs are accounted for using the "Successful Efforts Method" of accounting.

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

## 4.13.2 Exploration costs

All exploration costs, other than those relating to exploratory drilling, are charged to income as incurred. Exploratory drilling costs i.e. costs directly associated with drilling of an exploratory well, are initially capitalized pending determination of proven reserves. These costs are either charged to income if no proved reserves are found or transferred to development costs after impairment loss, if proved reserves are found.

All capitalized costs are subject to review for impairment at least once a year and any impairment determined is immediately charged to income.

## 4.13.3 Development costs

Development costs are stated at cost less accumulated amortization and impairment losses. Expenditure on drilling of development wells, including unsuccessful development wells, is capitalized within development costs. Capitalized development costs are amortized on a unit of production basis over the total proved developed reserves of the field or @ 5% per annum where the life of the field is more than 20 years.

## 4.14 Investments in subsidiary and associated companies

These are carried at cost less impairment losses. The profits and losses of the subsidiary and associated companies are carried forward in the financial statements of the subsidiary and associated companies and not dealt within or for the purpose of these financial statements except to the extent of dividend declared by the subsidiary and associated companies. Gain and loss on disposal of investment is included in income currently.

## 4.15 Stores and spares

Stores and spares are valued at cost determined on moving average formula less allowance for obsolete items. Stores in transit are stated at invoice value plus other charges paid thereon.

## 4.16 Stock in trade

Stocks are valued at the lower of average annual cost (including appropriate production overheads) and net realizable value. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs necessary to be incurred for its sale.

## 4.17 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in income for the year.

#### **4.18 Trade debts and other receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less loss allowance.

Other receivables are recognised at cost, which is the fair value of the consideration given.

Refer note 4.21 for a description of the Company's impairment policies.

#### **4.19 Financial instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

#### **4.20 Financial assets**

##### **Classification**

The Company classifies its financial assets in the following measurement categories:

- (i) Amortised cost where the effective interest rate method will apply;
- (ii) Fair value through profit or loss (FVTPL); and
- (iii) Fair value through other comprehensive income (FVTOCI)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

## **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

## **Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

## **Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company can classify its debt instruments:

### **a) Amortised cost**

Financial assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

### **b) Fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

### **c) Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income in the period in which it arises.



## **Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in statement of profit or loss.

### **4.21 Impairment of financial assets**

The Company assesses on a historical as well as on a forward looking basis the expected credit losses (ECL) as associated with its trade debts, deposits and other receivables and cash and bank balances carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a lifetime expected loss allowance while general 3-stage approach for deposits and other receivables and cash and bank balances i.e to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Advances, deposits and other receivables
- Cash and bank balances
- Short term investments

#### **(i) Simplified approach for trade debts**

The Company recognises lifetime ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts with individually significant balance are separately assessed for ECL measurement. All other receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure that constituents of each group continue to share similar credit risk characteristics.

## **Recognition of loss allowance**

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

## **Write-off**

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

## **(ii) General approach for short term investments, deposits and other receivables and cash and bank balances.**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

### **Significant increase in credit risk**

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

### **Definition of default**

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when the debt is more than 365 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### **Credit - impaired financial assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

## 4.22 Financial Liabilities

### Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

#### a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

#### b) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

### Derecognition of financial liabilities

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or they expire.

## 4.23 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

## 4.24 Revenue recognition

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised as follows:

- crude oil, upon delivery to customer;
- natural gas, upon delivery to the customer; and
- Liquefied Petroleum Gas (LPG), upon delivery to distributors at LPG plant facility.

Revenue is measured at the fair value of the consideration to which the Company expects to be entitled in exchange for transferring goods/services. Prices of crude oil and gas are calculated in accordance with Petroleum Concession Agreements / Petroleum Policy / or as notified by the Government Authorities. Effect of adjustment, if any, arising from revision in sale price is reflected as and when the prices are finalized with the customers and/or approved by the Government.

Billings are generally raised in the following month which are payable within 30 to 45 days in accordance with the contractual arrangement with customers.

#### **4.25 Other Income**

Income on investments at amortised costs and bank deposits is recognized on time proportion basis using the effective yield method.

Dividend income is recognized when the right to receive dividend is established.

#### **4.26 Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual right and obligations of the parties to the arrangement. The Company has assessed the nature of its joint arrangements and determined them to be joint operations. The Company has recognized its share of assets, liabilities, income and expenditure jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, the cost statements received from operators of the joint arrangements for the intervening period up to the statement of financial position date.

#### **4.27 Cash and cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and finances under mark up arrangements.

#### **4.28 Dividend distribution**

Dividend distribution to the shareholders is accounted for in the period in which dividend is declared.

#### **4.29 Leases**

##### **4.29.1 Right of use asset**

The Company assesses whether a contract is or contains a lease at inception of the contract. If the Company assesses that a contract contains a lease and meets requirements of IFRS 16, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

## 4.29.2 Lease liability

If applicable, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- a. fixed payments, including in-substance fixed payments;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable under a residual value guarantee; and
- d. the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Company has opted not to recognize right-of use assets for short-term leases i.e. leases with a term of twelve(12) months or less. The payments associated with such leases are recognized in profit or loss when incurred.

- 4.29.3** During the year Rs 505,492 thousand (2022: Rs 568,925 thousand) have been capitalised in Development & Decommissioning costs and Exploration & Evaluation assets in respect of short-term leases.

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Estimated crude oil/gas reserves used for amortization of development and decommissioning costs - note 4.13 and 14
- ii) Estimated useful life of property, plant and equipment - note 4.12 and 13.1
- iii) Estimated costs, discount and inflation rate used for provision for decommissioning costs - note 4.7 and 9.2
- iv) Estimate of recoverable amount of investment in associated Company - note 4.14 and 16
- v) Estimated value of staff retirement benefits obligations - note 4.9 and 38
- vi) Provision for taxation - note 4.5 and 33
- vii) Price adjustment related to crude oil sales - note 4.24 and 25
- viii) Impairment of financial assets - note 4.21
- ix) Right of use asset and corresponding lease liability - note 4.29

	2023	2022
	Rupees ('000)	
<b>6. SHARE CAPITAL</b>		
<b>Authorized capital</b>		
500,000,000 (2022: 500,000,000) ordinary shares of Rs 10 each	5,000,000	5,000,000
<b>Issued, subscribed and paid up capital</b>		
Shares issued for cash		
20,200,000 (2022: 20,200,000) ordinary shares	202,000	202,000
Shares issued as fully paid bonus shares		
263,655,104 (2022: 263,655,104) ordinary shares	2,636,551	2,636,551
283,855,104 (2022: 283,855,104) ordinary shares of Rs 10 each	2,838,551	2,838,551

- 6.1** The Company is a subsidiary of The Attock Oil Company Limited which held 149,794,518 (2022: 149,794,518) ordinary shares at the year end.

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>7. REVENUE RESERVES</b>		
Insurance reserve - note 7.1	200,000	200,000
Investment reserve - note 7.2	1,557,794	1,557,794
Unappropriated profit	63,090,864	46,467,116
	<b>64,848,658</b>	<b>48,224,910</b>

**7.1** The Company has set aside an insurance reserve for self insurance of assets which have not been insured and for deductibles against insurance claims.

**7.2** The Company has set aside gain on sale of investments as investment reserve to meet any future losses/ impairment on investments.

	2023	2022
	Rupees ('000)	
<b>8. LONG TERM DEPOSITS</b>		
Security deposits from distributors for cylinders / equipment	875,639	849,007
Security deposits from distributors and others	49,181	46,558
	<b>924,820</b>	<b>895,565</b>

**8.1** Amount received as security deposit is kept in a separate bank account and utilized/utilizable by the Company in accordance with the related agreements with customers.

	2023	2022
	Rupees ('000)	
<b>9. DEFERRED LIABILITIES</b>		
Deferred tax liability - note 9.1	4,667,144	5,844,433
Provisions		
- Provision for decommissioning costs - note 9.2	26,090,656	19,123,431
- Provision for staff compensated absences	2,949	2,540
	<b>26,093,605</b>	<b>19,125,971</b>
	<b>30,760,749</b>	<b>24,970,404</b>

**9.1 Deferred tax liability**

Deferred tax liability represents:

Temporary differences between accounting and tax depreciation/ amortization	5,096,340	6,207,692
Provision for stores and spares	(274,292)	(213,732)
Provision for doubtful receivable	(112)	(99)
Deferred tax on remeasurement (loss) on staff retirement benefit plans	(154,792)	(149,428)
	<b>4,667,144</b>	<b>5,844,433</b>



	2023	2022
	Rupees ('000)	
<b>9.2 Provision for decommissioning costs</b>		
Balance brought forward	19,123,431	14,389,227
Revision due to change in estimates - note 9.2.1	(2,542,530)	(727,537)
Provision made during the year	132,309	22,137
Unwinding of discount - note 30	2,601,429	1,258,353
Exchange loss - note 30	7,010,980	4,282,697
Decommissioning cost incurred during the year	(234,963)	(101,446)
	26,090,656	19,123,431
<b>9.2.1 Revision due to change in estimates</b>		
(Credited) to related asset - note 14	(1,155,473)	(337,391)
Revision in excess of related asset credited to statement of profit or loss - note 27	(1,387,057)	(390,146)
	(2,542,530)	(727,537)
<b>10. TRADE AND OTHER PAYABLES</b>		
Creditors	253,400	377,790
Due to related parties		
Attock Hospital (Private) Limited	1,800	2,667
Attock Petroleum Limited	67,015	83,623
Caggas (Private) Limited	-	855
Attock Refinery Limited	22,696	10,401
National Refinery limited	8,058	601
Attock Leisure and Management Associates (Private) Limited	-	857
Management Staff Pension Fund - note 38	134,557	169,593
Staff Provident Fund	-	1,663
General Staff Provident Fund	-	312
Workers' Profit Participation Fund - note 10.1	1,820,773	1,544,079
Due to joint operating partners		
The Attock Oil Company Limited	18,777	8,490
Others	2,580,128	1,435,659
Accrued liabilities	3,481,967	2,953,120
Contract liabilities - advances from customers	81,750	73,008
Royalty payable to Government of Pakistan	976,743	901,299
Excise duty payable	31,851	576
Petroleum levy payable	14,163	17,716
Workers' Welfare Fund payable	1,381,299	1,178,273
Liability for staff compensated absences	16,911	16,707
Other liabilities - note 10.2	27,020,337	22,278,874
	37,912,225	31,056,163

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>10.1 Workers' Profit Participation Fund</b>		
Payable at beginning of the year	1,544,079	1,156,615
Amount allocated during the year	1,835,242	1,557,700
Amount paid to the Fund's trustees	(1,558,548)	(1,170,236)
Payable at end of the year	1,820,773	1,544,079
<b>10.2</b>	This represents payment received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive as explained in note 25.1.	
<b>11. UNPAID DIVIDEND - AWAITING REMITTANCE BY THE AUTHORIZED BANK</b>		
	This represents dividend payable to parent company (non-resident), The Attock Oil Company Limited in United Kingdom (UK), for the year June 30, 2022, and interim dividend for the year ended June 30, 2023 awaiting remittance by the authorized bank due to regulatory constraints.	
<b>12. CONTINGENCIES AND COMMITMENTS</b>		
<b>12.1 Contingencies:</b>		
	There were no material contingencies which warrant disclosure as at June 30, 2023 (2022: Rs nil).	
	2023	2022
	Rupees ('000)	
<b>12.2 Commitments:</b>		
Share in joint operations	15,026,127	13,792,446
Own fields	4,586,947	5,047,000
Letter of credit issued by banks on behalf of the Company	818,030	380,001
<b>13. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets - note 13.1	5,417,443	6,219,771
Capital work in progress - note 13.5	485,349	482,740
	5,902,792	6,702,511

### 13.1 Operating assets

	Freehold land	Buildings	Pipelines and pumps	Plant and machinery	Gas cylinders	Motor vehicles	Chattels	Computer and software development	Total
				Field plants	Rigs				
	Rupees ('000)								
As at July 1, 2021									
Cost	20,742	543,196	2,546,312	16,277,130	805,550	622,047	192,344	603,579	22,424,354
Accumulated depreciation	-	(292,446)	(1,752,963)	(11,776,383)	(621,860)	(539,991)	(149,760)	(499,342)	(16,295,011)
Net book value	20,742	250,750	793,349	4,500,747	183,690	82,056	42,584	104,237	6,129,343
Year ended June 30, 2022									
Opening net book value	20,742	250,750	793,349	4,500,747	183,690	82,056	42,584	104,237	6,129,343
Additions	-	8,550	57,604	1,370,687	24,874	34,053	7,965	28,305	1,570,240
Disposals	-	(28)	(3,846)	(11,097)	(64)	(4,379)	(433)	(7,890)	(33,324)
Cost	-	28	3,846	10,849	64	4,379	422	7,882	33,057
Accumulated depreciation	-	-	-	(248)	-	-	(11)	(8)	(267)
Depreciation charge	-	(21,232)	(171,520)	(1,110,750)	(39,486)	(32,831)	(10,130)	(48,380)	(1,479,545)
Closing net book value	20,742	238,068	679,433	4,760,436	169,078	83,278	40,408	84,154	6,219,771
As at June 30, 2022									
Cost	20,742	551,718	2,600,070	17,636,720	830,360	651,721	199,876	623,994	23,961,270
Accumulated depreciation	-	(313,650)	(1,920,637)	(12,876,284)	(661,282)	(568,443)	(159,468)	(539,840)	(17,741,499)
Net book value	20,742	238,068	679,433	4,760,436	169,078	83,278	40,408	84,154	6,219,771
Year ended June 30, 2023									
Opening net book value	20,742	238,068	679,433	4,760,436	169,078	83,278	40,408	84,154	6,219,771
Additions	-	14,028	56,581	574,798	-	130,328	13,045	30,018	830,624
Disposals	-	-	(2,699)	(92,099)	(6,423)	(30,537)	(2,055)	(4,059)	(144,360)
Cost	-	-	2,699	84,265	6,423	30,537	2,035	4,059	136,506
Accumulated depreciation	-	-	-	(7,834)	-	-	(20)	-	(7,854)
Transfers to stores and spares	-	-	-	-	-	-	-	-	(19,248)
Depreciation charge	-	(21,421)	(170,771)	(1,209,560)	(36,003)	(48,686)	(10,302)	(45,764)	(1,605,850)
Closing net book value	20,742	230,675	565,243	4,117,840	133,075	164,920	43,131	68,408	5,417,443
As at June 30, 2023									
Cost	20,742	565,746	2,653,952	18,119,419	823,937	751,512	210,866	649,953	24,628,286
Accumulated depreciation	-	(335,071)	(2,088,709)	(14,001,579)	(690,862)	(586,592)	(167,735)	(581,545)	(19,210,843)
Net book value	20,742	230,675	565,243	4,117,840	133,075	164,920	43,131	68,408	5,417,443
Annual rate of Depreciation (%)	-	5	10	10	10	20	12.5	25	

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

## 13.2 Cost and accumulated depreciation include:

	Cost		Accumulated depreciation	
	2023	2022	2023	2022
	Rupees ('000)		Rupees ('000)	
Share in joint operations operated by the Company	1,575,514	1,540,222	1,393,432	1,366,181
Assets not in possession of the Company				
Share in joint operations operated by following				
MOL Pakistan Oil and Gas Company B.V.	12,527,472	12,119,964	9,999,069	9,150,286
Ocean Pakistan Limited	76,679	75,842	65,146	63,140
Oil and Gas Development Company Limited	74,324	74,175	62,480	57,236
Pakistan Petroleum Limited	2,325,458	2,312,037	1,607,319	1,412,957
	15,003,933	14,582,018	11,734,014	10,683,619
Gas cylinders - in possession of distributors*	786,771	786,673	730,729	668,329
	17,366,218	16,908,913	13,858,175	12,718,129

\*Due to large number of distributors it is impracticable to disclose the name of each person having possession of these assets, as required by 4th Schedule to the Companies Act, 2017.

	2023	2022
	Rupees ('000)	
<b>13.3 The depreciation charge has been allocated as follows:</b>		
Operating cost - Note 26	1,605,850	1,479,545

## 13.4 Particulars of Company's immovable property including location and area of land are as follows:

District	Location	Total Area (In acres)
Attock	Khaur	297.59
Attock	Dhulian	746.17
Attock	Meyal	194.44
Chakwal	Balkassar	2.14
Rawalpindi	Rawalpindi	35.76
Rawalpindi	Rawalpindi - (Khaur- Rawalpindi pipe line)	63.35

### 13.5 Capital work in progress

	Buildings	Plant and machinery / Pipelines and pumps	Computers and software development	Total
Rupees ('000)				
Balance as at July 1, 2021	4,397	546,540	-	550,937
Additions during the year	521	383,277	-	383,798
Transfers during the year	-	(451,995)	-	(451,995)
Balance as at June 30, 2022	4,918	477,822	-	482,740
Balance as at July 1, 2022	4,918	477,822	-	482,740
Additions during the year	8,745	366,679	5,080	380,504
Transfers during the year	(12,210)	(360,762)	(4,923)	(377,895)
Balance as at June 30, 2023	1,453	483,739	157	485,349

		2023	2022
Rupees ('000)			
<b>13.6</b>	<b>Break up of capital work in progress at June 30 is as follows:</b>		
	Own fields	37,676	6,102
	POLGAS plant	-	8,908
	Share in joint operations operated by others		
	MOL Pakistan Oil and Gas Company B.V.		
	- TAL Block	956	21,013
	- Margala Block	269	269
	Oil and Gas Development Company Limited		
	- Jhal Magsi D&P Lease	446,448	446,448
		485,349	482,740

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

## 14. DEVELOPMENT AND DECOMMISSIONING COSTS

	Development Cost	Decommissioning Cost	Total
	Rupees ('000)		
As at July 1, 2021			
Cost	48,771,570	3,268,953	52,040,523
Accumulated amortization	(35,848,686)	(2,519,162)	(38,367,848)
Net book value	12,922,884	749,791	13,672,675
Year ended June 30, 2022			
Opening net book value	12,922,884	749,791	13,672,675
Additions	560,588	22,137	582,725
Disposals			
Cost	-	(20,476)	(20,476)
Accumulated amortization	-	20,476	20,476
	(147,697)	(189,694)	(337,391)
Revision due to change in estimates - note 9.2.1			
Amortization for the year - note 27	(3,534,368)	(174,515)	(3,708,883)
Closing net book value	9,801,407	407,719	10,209,126
As at July 1, 2022			
Cost	49,184,461	3,080,920	52,265,381
Accumulated amortization	(39,383,054)	(2,673,201)	(42,056,255)
Net book value	9,801,407	407,719	10,209,126
Year ended June 30, 2023			
Opening net book value	9,801,407	407,719	10,209,126
Additions	1,201,829	132,309	1,334,138
Disposals			
Cost	-	(59,827)	(59,827)
Accumulated amortization	-	59,827	59,827
	-	-	-
Revision due to change in estimates - note 9.2.1	(969,945)	(185,528)	(1,155,473)
Amortization for the year - note 27	(2,474,109)	(88,233)	(2,562,342)
Closing net book value	7,559,182	266,267	7,825,449
As at June 30, 2023			
Cost	49,416,345	2,967,874	52,384,219
Accumulated amortization	(41,857,163)	(2,701,607)	(44,558,770)
Net book value	7,559,182	266,267	7,825,449

### 14.1 Net book value at year end represents:

	2023	2022
	Rupees ('000)	
Wholly owned fields	1,537,127	2,510,518
Joint operations	6,288,322	7,698,608
	7,825,449	10,209,126

	2023	2022
	Rupees ('000)	
<b>15. EXPLORATION AND EVALUATION ASSETS</b>		
Balance brought forward	3,019,833	512,223
Additions during the year	3,765,548	2,507,610
	6,785,381	3,019,833
Dry and abandoned wells and irrecoverable cost charged to profit or loss - note 28	(5,024,582)	-
	1,760,799	3,019,833

**15.1 Break up of exploration and evaluation assets at June 30 is as follows:**

	2023	2022
	Rupees ('000)	
Own fields		
- Balkassar	1,740,737	-
Share in joint operations operated by the Company		
- DG Khan	-	2,979,667
- Bandhak	20,062	12,072
Share in joint operations operated by others		
MOL Pakistan Oil and Gas Company B.V. - Margala	-	28,094
	1,760,799	3,019,833

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

	2023		2022	
	Percentage holding	Amount Rs ('000)	Percentage holding	Amount Rs ('000)
<b>16. LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - AT COST</b>				
<b>Subsidiary company</b>				
Unquoted				
Capgas (Private) Limited 344,250 (2022: 344,250) fully paid ordinary shares including 191,250 (2022: 191,250) bonus shares of Rs 10 each	51	1,530	51	1,530
<b>Associated companies</b>				
Quoted				
National Refinery Limited 19,991,640 (2022: 19,991,640) fully paid ordinary shares including 3,331,940 (2022: 3,331,940) bonus shares of Rs 10 each Quoted market value as at June 30, 2023: Rs 2,998,746 thousand (2022: Rs 5,049,289)	25	8,046,635	25	8,046,635
Attock Petroleum Limited (APL) 8,730,892 (2022: 6,984,714) fully paid ordinary shares including 5,362,492 (2022: 3,616,314) bonus shares of Rs 10 each Quoted market value as at June 30, 2023: Rs 2,621,450 thousand (2022: Rs 2,242,258 thousand)	7	1,562,938	7	1,562,938
Unquoted				
Attock Information Technology Services (Pvt) Limited (AITSL) 450,000 (2022: 450,000) fully paid ordinary shares of Rs 10 each	10	4,500	10	4,500
		9,615,603		9,615,603

**16.1** All subsidiary and associated companies are incorporated in Pakistan. Although the Company has less than 20 percent shareholding in APL and AITSL, these have been treated as associates since the Company has representation on their Board of Directors.

**16.2** The Company has assessed the recoverable amount of the investment in National Refinery Limited based on higher of Value In Use (VIU) and fair value (level 1 in the fair value hierarchy - quoted market price as at June 30, 2023). VIU is based on a valuation analysis carried out by an external investment advisor engaged by the Company. VIU has been assessed on discounted cash flow based valuation methodology which assumes gross profit margin of 5.52% (2022: 5.74%), a terminal growth rate of 4.0% (2022: 4.0%) and weighted average cost of capital of 30.20% (2022: 17.51%).



	2023	2022
	Rupees ('000)	
<b>17. LONG TERM LOANS AND ADVANCES - CONSIDERED GOOD</b>		
Long term loans and advances to employees	62,127	57,715
Less: Amount due within twelve months, shown under current loans and advances - note 21	26,140	28,125
	<b>35,987</b>	<b>29,590</b>
<b>17.1</b> Loans and advances to employees are for general purpose and for house rent advance which are recoverable in up to 60 and 36 equal monthly installments respectively and are secured by an amount due to the employee against provident fund. These loans and advances are interest free. These do not include any amount receivable from the Chief Executive and Directors. These loans have not been discounted, as the impact is considered insignificant.		
	2023	2022
	Rupees ('000)	
<b>18. STORES AND SPARES</b>		
Stores and spares - note 18.1, 18.2 and 18.3	6,765,924	6,421,046
Less: Provision for slow moving items - note 18.4	761,922	667,913
	<b>6,004,002</b>	<b>5,753,133</b>
<b>18.1 Stores and spares include:</b>		
Share in joint operations operated by the Company	777,909	684,310
Share in joint operations operated by others (assets not in possession of the Company)	1,663,332	1,687,046
	<b>2,441,241</b>	<b>2,371,356</b>
<b>18.2</b> Stores and spares include stores and spares in transit of Rs 298,998 thousand (2022: Rs 760,285 thousand).		
<b>18.3</b> Stores and spares include items which may result in fixed capital expenditure but are not yet distinguishable.		
	2023	2022
	Rupees ('000)	
<b>18.4 Provision for slow moving items</b>		
Balance brought forward	667,913	639,575
Provision for the year - charged to profit or loss	94,009	28,338
	<b>761,922</b>	<b>667,913</b>
<b>19. STOCK IN TRADE</b>		
Crude oil and other products - note 19.1	577,479	384,649
<b>19.1</b> These include Rs 132,805 thousand (2022: Rs 62,825 thousand) being the Company's share in non-operated joint operations.		

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>20. TRADE DEBTS - CONSIDERED GOOD</b>		
Due from related parties - note 20.1	5,405,172	6,749,456
Others	7,327,897	3,217,696
	12,733,069	9,967,152
<b>20.1 Due from related parties</b>		
Associated companies		
Attock Refinery Limited	5,375,353	6,726,161
National Refinery Limited	280	307
Attock Petroleum Limited	29,539	22,988
	5,405,172	6,749,456

Ageing analysis of trade debts receivable from related parties is given in note 37.3.1 to the financial statements.

The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs 6,469,809 thousand (2022: Rs 6,749,456 thousand).

	2023	2022
	Rupees ('000)	
<b>21. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Loans and advances - considered good		
Employees - note 17	26,140	28,125
Suppliers	375,853	357,362
	401,993	385,487
Trade deposits and short term prepayments		
Deposits	65,520	61,174
Short-term prepayments	175,641	172,360
	241,161	233,534
Interest income accrued	817,493	248,977
Other receivables		
Joint operating partners	450,493	313,169
Due from related parties		
Parent company		
The Attock Oil Company Limited	144,436	82,657
Subsidiary company		
Capgas (Private) Limited	2,879	-
Gratuity Fund - note 38	334,177	226,505
Staff Provident Fund	1,336	-
General staff Provident Fund	5,743	-
Sales tax refundable	5,385,787	3,140,501
Others (net of loss allowance of Rs 310 thousand (2022: Rs 310 thousand))	534,885	18,829
	6,859,736	3,781,661
	8,320,383	4,649,659

**21.1** The maximum aggregate amount due from related parties at the end of any month during the year was Rs 492,976 thousand (2022: Rs 82,657 thousand) respectively.

		2023	2022
		Rupees ('000)	
<b>21.2</b>	The aging analysis of receivable from related parties is as follows:		
	Upto 3 month	488,571	82,657
	3 to 6 month	-	-
	More than 6 month	-	-
		488,571	82,657
<b>22.</b>	<b>OTHER FINANCIAL ASSETS</b>		
	Investments in mutual funds classified as fair value through profit or loss - note 22.1	1,112,163	-
<b>22.1</b>	<b>Investments classified as fair value through profit or loss</b>		
	Balance at the beginning of the year	-	-
	Additions during the year	1,111,955	519,710
	Redemptions during the year	(2,710)	(520,627)
	Fair Value adjustment	2,918	917
	Balance at the end of the year	1,112,163	-

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

	2023		2022	
	Number of units	Cost	Number of units	Cost
	Rupees ('000)		Rupees ('000)	
<b>22.1.1 Investments in mutual funds classified as fair value through profit or loss at June 30 include the following:</b>				
<b>Listed securities:</b>				
Meezan Rozana Amdani Fund - Note 22.1.2	4,058,657	202,933	-	-
NBP Money Market Fund	20,138,756	200,000	-	-
Atlas Money Market Fund	399,402	202,700	-	-
ABL Cash Fund	19,897,876	202,988	-	-
HBL Cash Fund	2,952,318	300,624	-	-
		1,109,245	1,112,163	-

**22.1.2** Gain/loss realized or unrealized, from this investment is earned from arrangements permissible under shariah.

**22.1.3** The fair value of listed securities is based on quoted market prices at the statement of financial position date. The quoted market price used is the current bid price.

## **23. Short term investments**

This represents Treasury Bills carried at amortised cost having maturity of less than three months at yield ranging from 21.98% to 21.99% (2022: nil) per annum.

	2023	2022
	Rupees ('000)	
<b>24. CASH AND BANK BALANCES</b>		
Bank balance on		
Short term deposits	62,969,880	65,921,720
Interest/mark-up bearing saving accounts	7,279,702	1,760,167
Current accounts	42,198	36,270
	70,291,780	67,718,157
Cash in hand	4,001	4,519
	70,295,781	67,722,676

Balance with banks include foreign currency balances of US \$ 201,024 thousand (2022: US \$ 169,602 thousand). The balances in saving accounts and short term deposits earned interest / mark-up ranging from 2.69% to 21.75% (2022: 0.25% to 18%).

	2023	2022
	Rupees ('000)	
<b>25. NET SALES</b>		
Crude oil	33,563,998	29,718,142
Gas - note 25.1	18,851,106	14,311,957
Less: Shrinkages / own use	3,010,217	2,042,897
	15,840,889	12,269,060
POLGAS - Refill of cylinders	11,028,760	9,672,638
Solvent oil	489,546	285,062
Sulphur	29,089	-
	60,952,282	51,944,902

**25.1** On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject arrears.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of the following explanation of conversion package:

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For the year ended June 30, 2023

“the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii) EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training”.

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil / Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honourable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. After multiple hearings, last hearing was fixed on June 30, 2022, however the same could not be heard and next date of hearing is yet to be announced.

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to June 30, 2023 amounting to Rs 25,265,875 thousand will be accounted for upon resolution of this matter (including Rs 19,658,634 thousand related to period since inception to June 30, 2022). Additional revenue on account of enhanced gas price incentive of Rs 23,092,312 thousand and sales tax of Rs 3,928,026 thousand received from customer on the basis of notified prices has been shown as “Other liabilities” under “trade and other payables”. Sales tax of Rs 3,928,026 thousand (June 30, 2022: Rs 3,237,101 thousand) received from customer on the basis of notified prices is declared in the monthly sales tax return as well as duly deposited with Federal Board of Revenue by the Company. The amount so deposited is shown within “sales tax refundable” in “advances, deposits, prepayments and other receivables”.

		2023	2022
		Rupees ('000)	
<b>26.</b>	<b>OPERATING COSTS</b>		
	Operating cost - Own fields	1,559,576	1,010,197
	- Share in joint operations - note 26.1	4,991,302	3,308,818
	Well workovers	76,699	568,151
	POLGAS - Cost of LPG, carriage etc.	2,677,382	2,608,519
	Head office and insurance charges	335,991	170,191
	Pumping and transportation cost	106,003	77,060
	Depreciation	1,605,850	1,479,545
		11,352,803	9,222,481
	Opening stock of crude oil and other products	384,649	277,531
	Closing stock of crude oil and other products	(577,479)	(384,649)
		11,159,973	9,115,363

**26.1** This includes Rs 652,229 thousand (2022: Rs nil) for stores and spares written off due to fire incident at Gas Processing Facility (GPF) store at TAL Block which is operated by MOL Pakistan Oil and Gas Co. BV. POL has adequate insurance cover and related assessment by insurance surveyor is in progress.

		2023	2022
		Rupees ('000)	
<b>27.</b>	<b>AMORTIZATION OF DEVELOPMENT AND DECOMMISSIONING COSTS</b>		
	Amortization charge for the year - note 14	2,562,342	3,708,883
	Revision in estimates of provision for decommissioning costs in excess of related assets credited to statement of profit or loss - note 9.2.1	(1,387,057)	(390,146)
		1,175,285	3,318,737

# Notes to and Forming Part of the Financial Statements

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	2023	2022
	Rupees ('000)	
<b>28. EXPLORATION COSTS</b>		
Geological and geophysical cost		
Own fields	289	151
Share in joint operations operated by the Company		
- DG Khan	2,208	141,311
- Ikhlas	61,448	101,263
- Pindori	183,817	-
- North Dhurnal	32,617	21,498
- Kirthar South	79,240	58,313
Share in joint operations operated by others		
MOL Pakistan Oil and Gas Company B.V.		
- TAL Block	(68)	9,747
- Margala Block	350,147	40,113
- Margala North Block	(3,897)	(480)
Oil and Gas Development Company Limited		
- Kotra	8,410	(1,767)
- Gurgalot	18,045	14,112
- Chah Bali	11,176	-
Pakistan Petroleum Limited		
- Hisal	477,138	31,871
Mari Petroleum Company Limited		
- Taung	66,372	449,484
- Nareli	408,053	11,422
	1,694,995	877,038
Dry and abandoned wells and irrecoverable cost charged to profit or loss - note 15		
Share in Joint operations operated by the Company		
- DG Khan	4,353,065	-
Share in Joint operations operated by others		
MOL Pakistan Oil and Gas Company B.V.		
- Margala Block	671,517	-
	5,024,582	-
	6,719,577	877,038



	2023	2022
	Rupees ('000)	
<b>29. ADMINISTRATION EXPENSES</b>		
Establishment charges	437,768	296,082
Telephone and telex	1,297	1,141
Medical expenses	16,615	15,238
Printing, stationery and publications	8,546	6,707
Insurance	9,438	7,881
Travelling expenses	6,215	4,982
Motor vehicle running expenses	22,710	22,024
Rent, repairs and maintenance	115,131	79,036
Auditor's remuneration - note 29.1	17,866	10,886
Legal and professional charges	15,636	5,643
Stock exchange and CDC fee	5,999	5,420
Computer support and maintenance charges	50,830	38,239
Donations - note 29.2	30,000	-
Other expenses	7,378	6,391
	745,429	499,670
Less: Amount allocated to field expenses	433,318	294,038
	312,111	205,632
<b>29.1 Auditor's remuneration</b>		
Statutory audit	2,542	2,311
Review of half yearly accounts, audit of consolidated accounts, staff funds, special certifications	4,530	2,154
Tax services	10,158	6,000
Out of pocket expenses	636	421
	17,866	10,886

**29.2** This includes donation made to "Prime Minister's - Flood Relief Fund" through Parent company amounting to Rs 30,000 thousand (2022: Rs nil).

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>30. FINANCE COSTS - NET</b>		
Provision for decommissioning costs - note 9.2		
- Unwinding of discount	2,601,429	1,258,353
- Exchange loss	7,010,980	4,282,697
Banks' commission and charges	7,023	7,492
	9,619,432	5,548,542
<b>31. OTHER CHARGES</b>		
Workers' Profit Participation Fund	1,835,242	1,557,700
Workers' Welfare Fund	653,806	468,670
	2,489,048	2,026,370
<b>32. OTHER INCOME - NET</b>		
Income from financial assets - bank balances short term deposits and treasury bills	10,670,619	3,190,425
Exchange gain on financial assets - net	14,780,417	7,326,728
Dividend on Investments classified as fair value through profit or loss - note 32.1	16,764	29,240
Dividend from subsidiary and associated companies - note 32.2	643,338	497,038
Rental income	303,625	197,514
Crude oil transportation income	447,302	405,858
Gas processing fee	81,973	21,249
(Loss) / gain on sale of property, plant and equipment	(566)	5,821
Gain on sale of stores and scrap	111,470	6,673
Fair value adjustment on investments classified as fair value through profit or loss	2,918	917
Others	4,113	16,006
	27,061,973	11,697,469

	2023	2022
	Rupees ('000)	
<b>32.1 Dividend on Investments classified as fair value through profit or loss</b>		
Meezan Rozana Amdani Fund	3,450	-
Pakistan Cash Management Fund	-	5,735
NBP Money Market Fund	2,871	5,843
Atlas Money Market Fund	3,176	-
ABL Cash Fund	3,516	17,662
HBL Cash Fund	3,751	-
	16,764	29,240
<b>32.2 Dividend from subsidiary and associated companies</b>		
Subsidiary company		
Capgas (Private) Limited	24,786	21,226
Associated company		
National Refinery Limited	299,875	199,916
Attock Petroleum Limited	318,677	275,896
	643,338	497,038
<b>33. PROVISION FOR TAXATION</b>		
Current - for the year	14,406,442	10,774,352
Deferred - for the year	(1,200,365)	277,915
	13,206,077	11,052,267
<b>33.1 Reconciliation of tax charge for the year</b>		
Accounting profit - before taxation	49,658,659	36,987,380
* Tax at applicable tax rate of 40.75% (2022: 44.98%)	20,235,904	16,636,924
Tax effect of depletion allowance, royalty payments and amounts not taxable or taxed at lower rates	(11,720,913)	(8,076,344)
Impact of super tax	3,269,023	2,386,544
Tax effect of change in applicable rate in respect of deferred tax	730,554	364,161
Others	691,509	(259,018)
Tax charge for the year	13,206,077	11,052,267

\* The applicable tax rate is the weighted average of tax rates applicable to income from oil and gas concessions and income from other activities.

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

## 34. OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company is disclosed in note 25.

Revenue from two major customers of the Company constitutes 79% of the total revenue during the year ended June 30, 2023 (June 30, 2022: 75%).

	2023	2022
	Rupees ('000)	
<b>35. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	49,658,659	36,987,380
Adjustments for:		
Depreciation	1,605,850	1,479,545
Dry and abandoned wells and irrecoverable cost	5,024,582	-
Fair value adjustment on investments classified as fair value through profit or loss	(2,918)	(917)
Amortization of development and decommissioning costs	1,175,285	3,318,737
Finance costs	9,612,409	5,541,050
Exchange gain on financial assets	(14,780,417)	(7,326,728)
Loss / (gain) on sale of property, plant and equipment	566	(5,821)
Dividend from subsidiary and associated companies	(643,338)	(497,038)
Income from financial assets - bank balances short term deposits and treasury bills	(10,670,619)	(3,190,425)
Dividend on investments classified as fair value through profit or loss	(16,764)	(29,240)
Provision for staff compensated absences	409	(759)
Provision for slow moving stores and spares	94,009	28,338
Remeasurement gain / (loss) on staff retirement benefit plans	64,099	(60,235)
Cash flows before working capital changes	41,121,812	36,243,887
Effect on cash flows due to working capital changes:		
(Increase) in stores and spares	(344,878)	(1,122,928)
(Increase) in stock in trade	(192,830)	(107,118)
(Increase) in trade debts	(2,765,917)	(2,628,621)
(Increase) in advances, deposits, prepayments and other receivables	(3,102,208)	(596,434)
Increase in trade and other payables	6,856,062	5,360,770
	450,229	905,669
Cash flows generated from operations	41,572,041	37,149,556
(Increase) / decrease in long term loans and advances	(6,397)	7,556
Increase in long term deposits	29,255	22,153
Taxes paid	(12,195,811)	(9,171,786)
Actual decommissioning cost paid	(234,963)	(101,446)
Net cash generated from operating activities	29,164,125	27,906,033

### 36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration, including benefits and perquisites to chief executive, directors and executives of the Company are given below:

	Chief Executive		Executives	
	2023	2022	2023	2022
	Rupees ('000)		Rupees ('000)	
Managerial remuneration	9,514	8,373	185,504	136,098
Bonus	9,071	5,708	142,920	87,798
Housing, utility and conveyance	7,752	6,613	155,974	127,040
Company's contribution to pension, gratuity and provident funds	-	-	71,506	52,421
Leave passage	1,269	1,269	19,865	19,902
Other benefits	7,344	4,685	93,303	54,270
	34,950	26,648	669,072	477,529
No of persons, including those who worked part of the year	1	1	73	57

In addition to remuneration, the Chief Executive and certain executives were provided with use of the Company's cars and residential telephone facilities. The Company also provides medical facilities to its staff. Remuneration of executives are net of charge to subsidiary and associated companies amounting to Rs 56,473 thousand (2022: Rs 22,395 thousand).

The aggregate amount charged in these financial statements in respect of fee to 7 directors (2022: 7) was Rs 11,859 thousand (2022: Rs 9,139 thousand). This includes Rs 7,702 thousand (2022: Rs 5,618 thousand) paid to 4 non-executives (2022: 4) of the Company.

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

## 37. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 37.1 Financial assets and liabilities

	Amortised cost	Investments classified as fair value through profit or loss	Total
	Rupees ('000)		
<b>June 30, 2023</b>			
<b>Financial assets</b>			
Maturity up to one year			
Trade debts	12,733,069	-	12,733,069
Advances, deposits and other receivables	2,041,846	-	2,041,846
Other financial assets	-	1,112,163	1,112,163
Short term investments - at amortised cost	34,855,131	-	34,855,131
Cash and bank balances	70,295,781	-	70,295,781
Maturity after one year			
Long term loans and advances	35,987	-	35,987
	119,961,814	1,112,163	121,073,977
<b>Financial liabilities</b>			
Maturity up to one year			
Trade and other payables	32,313,861	-	32,313,861
Unpaid dividend - awaiting remittance by authorized bank	9,433,214	-	9,433,214
Unclaimed dividend	317,153	-	317,153
Maturity after one year			
Long term deposits	924,820	-	924,820
	42,989,048	-	42,989,048
<b>June 30, 2022</b>			
<b>Financial assets</b>			
Maturity up to one year			
Trade debts	9,967,152	-	9,967,152
Advances, deposits and other receivables	752,932	-	752,932
Cash and bank balances	67,722,676	-	67,722,676
Maturity after one year			
Long term loans and advances	29,590	-	29,590
	78,472,350	-	78,472,350
<b>Financial liabilities</b>			
Maturity up to one year			
Trade and other payables	26,012,620	-	26,012,620
Unclaimed dividend	275,702	-	275,702
Maturity after one year			
Long term deposits	895,565	-	895,565
	27,183,887	-	27,183,887

### 37.2 Credit quality of financial assets

The credit quality of Company's financial assets have been assessed below by reference to external credit ratings of counter parties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

		2023	2022
	Rating	Rupees ('000)	
<b>Trade debts</b>			
Counterparties with external credit rating	A1+	5,414,966	6,733,199
	A1	7,064,767	3,164,485
	A2	173,262	1,984
Counterparties without external credit rating			
Existing customers with no default in the past		80,074	67,484
		12,733,069	9,967,152
<b>Advances, deposits and other receivables</b>			
Counterparties with external credit rating	A1+	1,318,183	322,587
Counterparties without external credit rating			
Existing customers / joint operating partners with no default in the past		550,208	289,023
Receivable from employees		26,140	28,126
Receivable from parent company		144,436	82,657
Others		2,879	30,539
		2,041,846	752,932
<b>Other financial assets</b>			
Counterparties with external credit rating	AM2+ / AA+(f)	203,099	-
	AM1 / AA(f)	200,979	-
	AM1 / AA+(f)	708,085	-
		1,112,163	-
<b>Short term investments</b>			
Counterparties without external credit rating			
Treasury Bills issued by the Government of Pakistan		34,855,131	-
<b>Bank balances</b>			
Counterparties with external credit rating	A1+	70,291,598	67,715,821
	A1	182	2,336
		70,291,780	67,718,157
<b>Long term loans and advances</b>			
Counterparties without external credit rating			
Receivable from employees		35,987	29,590

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

## 37.3 FINANCIAL RISK MANAGEMENT

### 37.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rates risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

#### (a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

As of June 30, 2023, trade debts of Rs 4,870,997 thousand (2022: Rs 740,525 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2023	2022
	Rupees ('000)	
Related parties		
Up to 3 months	1,999	3,126
3 to 6 months	1,476	9,708
6 to 12 months	106,018	95,400
Above 12 months	-	-
	109,493	108,234
Others		
Up to 3 months	1,900,830	73,559
3 to 6 months	2,289,838	69,459
6 to 12 months	462,300	453,388
Above 12 months	108,536	35,885
	4,761,504	632,291
	4,870,997	740,525

#### (b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities. At June 30, 2023, the Company had financial assets of Rs 121,073,977 thousand (2022: Rs 78,472,350 thousand).

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the maturity date. The amounts disclosed in the table are undiscounted cash flows which have been inflated using appropriate inflation rate, where applicable.



	Less than 1 year	Between 1 to 5 years	Over 5 years
	Rupees ('000)		
<b>At June 30, 2023</b>			
Long term deposits	-	924,820	-
Trade and other payables	32,313,861	-	-
Unpaid dividend - awaiting remittance by authorized bank	9,433,214	-	-
Unclaimed dividend	317,153	-	-
<b>At June 30, 2022</b>			
Long term deposits	-	895,565	-
Trade and other payables	26,012,620	-	-
Unclaimed dividend	275,702	-	-

**(c) Market risk**

**(i) Currency risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from currency exposure with respect to the US dollar. Currently foreign exchange risk is restricted to trade debts, bank balances, receivable from / payable to joint operating partners, payable to suppliers.

Financial assets include Rs 59,591,245 thousand (2022: Rs 36,827,358 thousand) and financial liabilities include Rs 2,798,153 thousand (2022: Rs 139,193 thousand) which are subject to currency risk.

The following significant exchange rates were applied during the year:

	2023	2022
Rupees per USD	Rupees	
Average rate	247.55	176.98
Reporting date rate	286.60	205.75

If exchange rates had been 10% lower / higher with all other variables held constant, profit after tax for the year would have been Rs 3,975,516 thousand (2022: Rs 2,568,172) lower / higher.

**(ii) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

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Financial assets include Rs 106,216,876 thousand (2022: Rs 67,718,157 thousand) which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

If interest rates had been 1% higher / lower with all other variables held constant, profit after tax for the year would have been Rs 530,391 thousand (2022: Rs 403,060 thousand) higher / lower, mainly as a result of higher / lower interest income from these financial assets.

## (iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar instruments traded in the market.

The Company is exposed to equity securities price risk because of investments held by the Company and classified on the statement of financial position as investments classified as fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the investment policy of the Company.

Financial assets include Rs 1,112,163 thousand (2022: Rs nil) which are subject to price risk.

If prices had been 1% higher / lower with all other variables held constant, profit after tax for the year would have been Rs 6,784 thousand (2022: Rs nil) higher / lower, mainly as a result of exposure to fluctuation in prices of these financial assets.

## 37.3.2 Capital risk management

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The gearing ratio of the Company has always been low and the Company has mostly financed its projects and business expansions through equity financing. Further, the Company is not subject to externally imposed capital requirements.

## 37.3.3 Fair value of financial assets and liabilities

All financial assets and financial liabilities are initially recognised at fair value of consideration paid or received, net of transaction costs as appropriate. The carrying values of other financial assets and liabilities of the Company not carried at fair value is a reasonable approximation of their fair values. The table below analyzes financial assets are measured at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Company held the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
<b>June 30, 2023</b>	Rupees ('000)			
Other financial assets classified as fair value through profit or loss	1,112,163	-	-	1,112,163
<b>June 30, 2022</b>				
Other financial assets classified as fair value through profit or loss	-	-	-	-

### 38. STAFF RETIREMENT BENEFITS

The details of actuarial valuation of defined benefit funded plans carried out as at year end are as follows:

	2023	2022
	Rupees ('000)	
<b>38.1</b> The amounts recognized in the statement of financial position are as follows:		
Present value of defined benefit obligations	1,959,276	1,769,240
Fair value of plan assets	(2,158,896)	(1,826,152)
	(199,620)	(56,912)
Amounts in the statement of financial position:		
Gratuity Fund - (Asset) - note 21	(334,177)	(226,505)
Management Staff Pension Fund - Liability - note 10	134,557	169,593
Net (Assets)	(199,620)	(56,912)
<b>38.2</b> The amounts recognized in the statement of profit or loss are as follows:		
Current service cost	51,027	44,108
Net interest income	(14,859)	(10,505)
	36,168	33,603
<b>38.3</b> The amounts recognized in statement of profit or loss and other comprehensive income are as follows:		
Remeasurement due to:		
Change in financial assumptions	(21,638)	(1,369)
Experience adjustments	73,149	69,163
Investment loss	(115,610)	(7,559)
	(64,099)	60,235

# Notes to and Forming Part of the Financial Statements

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		2023	2022
		Rupees ('000)	
<b>38.4</b>	Changes in the present value of defined benefit obligation are as follows:		
	Opening defined benefit obligation	1,769,240	1,618,605
	Current service cost	51,027	44,108
	Interest cost	221,304	155,997
	Remeasurement loss	51,511	67,794
	Benefits paid	(133,806)	(117,264)
	Closing defined benefit obligation	1,959,276	1,769,240
<b>38.5</b>	Changes in fair value of plan assets are as follows:		
	Opening fair value of plan assets	1,826,152	1,677,955
	Interest income	236,163	166,502
	Remeasurement gain	115,610	7,559
	Contribution by employer	114,777	91,399
	Benefits paid	(133,806)	(117,263)
	Closing fair value of plan assets	2,158,896	1,826,152

**38.6** The major categories of plan assets as a percentage of total plan assets of defined pension and gratuity plan are as follows:

	2023		2022	
	Rupees ('000)	%	Rupees ('000)	%
Unquoted:				
Government bonds / securities	2,146,677	99	4,992	-
Cash and cash equivalents	12,219	1	1,821,160	100
	2,158,896	100	1,826,152	100

The funds have no investment in the Company's own securities.

**38.7** Principal actuarial assumptions

The principal assumptions used in the actuarial valuation are as follows:

	2023	2022
	%	%
Discount rate	15.25	13
Expected rate of salary increase	13.75	12
Expected rate of pension increase	9	6.75

**38.8** Mortality was assumed to be 70% of the EFU (61-66) Table at valuations on both dates, June 30, 2022 and 2023.

**38.9** The pension and gratuity plans are defined benefits final salary plans and both plans are invested through approved trust funds. The trustees of the funds are responsible for plan administration and investment. The Company appoints the trustees who are employees of the Company.

The plans expose the Company to various actuarial risks: investment risk and salary risk from both plans and longevity risk from the pension plan.

The asset ceiling does not apply. The Company can use the surplus in the pension and gratuity fund to reduce its future contributions or can apply to the Commissioner of Income Tax for a refund.

### 38.10 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by one percent.

	Defined benefit obligation	
	1 percent increase	1 percent decrease
	Rupees ('000)	
Discount rate	(156,362)	183,857
Salary increase	64,615	(58,868)
Pension increase	119,015	(105,080)

If life expectancy increases by 1 year, the obligation increases by Rs 58,089 thousand.

The impact of changes in financial assumptions has been determined by revaluation of the obligations on different rates. The impact of increase in longevity has been calculated on the aggregate for each class of employees.

### 38.11 The weighted average number of the defined benefit obligation is given below:

Plan Duration	Pension	Gratuity
	Years	
June 30, 2023	11.7	7.9
June 30, 2022	11.4	8

### 38.12 The Company contributes to the pension and gratuity funds on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit.

Projected payments	Pension	Gratuity
	Rupees ('000)	
Contributions FY 2024	66,068	-
Benefit payments:		
FY 2024	114,173	30,979
FY 2025	125,221	49,821
FY 2026	135,341	37,840
FY 2027	150,322	63,534
FY 2028	163,091	55,674
FY 2029-33	1,179,833	575,161

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

		2023	2022
	Note	Rupees ('000)	
<b>39. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	24	70,295,781	67,722,676
Short term investment	23	34,855,131	-
		105,150,912	67,722,676
<b>40. EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Profit for the year (in thousand rupees)		36,452,582	25,935,113
Weighted average number of ordinary shares in issue during the year (in thousand shares)		283,855	283,855
Basic and diluted earnings per share (Rupees)		128.42	91.37
<b>41. TRANSACTIONS WITH RELATED PARTIES</b>			
<b>41.1</b>	Aggregate transactions with related parties, other than remuneration to the chief executive, directors and executives of the Company under their terms of employment, were as follows:		
		2023	2022
	Basis of Relationship	Rupees ('000)	
<b>Parent company - The Attock Oil Company Limited</b>	Holding company		
Dividend paid		1,052,458	7,489,766
Rental expense		83,596	58,783
Purchase of LPG		126,216	134,942
Reimbursement of expenses incurred by AOC on behalf of POL		2,098	4,045
Reimbursement of expenses incurred by POL on behalf of AOC		376	-
<b>Subsidiary company - Capgas (Private) Limited</b>	Subsidiary with 51% shareholding		
Reimbursement of expenses incurred by POL on behalf of CAPGAS		14,761	11,990
Reimbursement of expenses incurred by CAPGAS on behalf of POL		14,041	8,838
Rental Income		1,404	1,404
Dividend received		24,786	21,226
Purchase of LPG		-	51,223

		2023	2022
	Basis of Relationship	Rupees ('000)	
<b>Associated companies</b>			
Attock Refinery Limited	Common directorship		
Sale of crude oil and gas		32,990,224	28,278,660
Crude oil and gas transmission charges		4,798	4,201
Rental Income		2,955	2,908
Rental expense		1,509	1,466
Reimbursement of expenses incurred by POL on behalf of ARL		1,120	1,012
Reimbursement of expenses incurred by ARL on behalf of POL		18,519	26,665
Purchase of fuel		34,507	21,473
Purchase of LPG		278,069	209,391
National Refinery Limited	25% share holding & common directorship		
Sale of crude oil		-	18,603
Reimbursement of expenses incurred by POL on behalf of NRL		69	6
Reimbursement of expenses incurred by NRL on behalf of POL		284	615
Rental expense		3,891	3,102
Purchase of LPG		207,221	241,019
Dividend received		299,875	199,916
Attock Petroleum Limited	7.0175% share holding & common directorship		
Purchase of fuel and lubricants		1,247,821	993,916
Sale of solvent oil		489,546	285,063
Rental income		1,239	1,186
Purchase of services		795	613
Purchase of goods		1,784	1,753
Reimbursement of expenses incurred by POL on behalf of APL		39,354	31,354
Dividend received		318,677	275,896
Profit disbursement		-	1,074
Attock Information Technology (Private) Limited	10% share holding & common directorship		
Purchase of services		71,822	63,481
Attock Hospital (Private) Limited	Common directorship		
Purchase of medical services		19,376	17,322
Attock Leisure and Management Associates (Private) Limited	Common directorship		
Purchase of services		-	8,480

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

		2023	2022
	Basis of Relationship	Rupees ('000)	
Attock Energy (Private) Limited	Common directorship		
Purchase of services		-	2,091
Other associated entities			
Dividend paid		15,062	9,259
<b>Other related parties</b>			
Remuneration of Chief Executive, Directors Honarium & Key Management personnel including benefits & perquisites		156,728	163,654
Dividend paid to key management personnel		232,706	164,568
Contribution to staff retirement benefits plans			
Management Staff Pension Fund and Gratuity Fund		114,777	91,399
Approved Contributory Provident Funds		39,026	31,873
Contribution to Workers' Profit Participation Fund		1,835,242	1,557,700

## 41.2 Details of associated Company incorporated outside Pakistan with whom the Company had entered into transaction or had agreements are as follows:

i) Name of undertaking	The Attock Oil Company Limited
ii) Country of Incorporation	United Kingdom
iii) Basis of association	Parent Company
iv) Aggregate %age of shareholding	52.77%

## 42. CONTRIBUTORY PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.



#### 43. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Description	Explanation	2023	2022
		Rupees ('000)	
i) Loans and advances	Non-interest bearing		
ii) Deposits	Non-interest bearing		
iii) Segment revenue	Disclosed in note 34		
<b>iv) Bank Balances</b>			
Placed under interest arrangements		61,893,386	67,679,367
Placed under Shariah permissible arrangements		8,356,196	2,520
		<b>70,249,582</b>	<b>67,681,887</b>
<b>v) Income on bank deposits</b>			
Placed under interest arrangements		9,349,480	67,679,367
Placed under Shariah permissible arrangements		1,321,139	2,520
		<b>10,670,619</b>	<b>67,681,887</b>
vi) Dividend income	Disclosed in note 32.1 & 32.2		
vii) All sources of other income	Disclosed in note 32		
viii) Exchange gain	Earned from actual currency		
ix) Relationship with banks having Islamic windows	<p>Following is the list of banks with which the Company has a relationship with Islamic window of operations:</p> <ol style="list-style-type: none"> <li>1. Meezan Bank Limited</li> <li>2. Albaraka Islamic Investment bank</li> <li>3. Bank Islami Limited</li> <li>4. Faysal Bank Limited</li> </ol>		

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

## 44. GEOGRAPHICAL LOCATION AND ADDRESSES OF ALL OTHER BUSINESS UNITS INCLUDING INTEREST IN JOINT OPERATIONS

Geographical location and addresses of all other business units of the Company including interest in joint operations are as follows:

Exploration licenses / Leases	Location and address		Working interest	
	District(s)	Province(s)	2023	2022
			%	
<b>Operated by the Company</b>				
Ikhlas Petroleum Concession (3372-18)	Attock	Punjab	80.00	80.00
Kirthar South Petroleum Concession (2567-7)	Dadu, Jamshoro, Lasbela, Thatta	Sindh and Balochistan	85.00	85.00
Khaur D&Production Lease (153/PAK/2002)	Attock	Punjab	100.00	100.00
Minwal D&Production Lease (123/PAK/98)	Chakwal	Punjab	82.50	82.50
Pariwali D&Production Lease (119/PAK/97)	Attock	Punjab	82.50	82.50
Pindori D&Production Lease (105/PAK/96)	Rawalpindi	Punjab	35.00	35.00
Turkwal D&Production Lease (133/PAK/99)	Chakwal and Rawalpindi	Punjab	67.37	67.37
D.G. Khan Petroleum Concession (2969-10)	Barkhan, DG Khan, Rajanpur	Punjab and Balochistan	70.00	70.00
North Dhumal (3372-27)	Attock	Punjab	60.00	60.00
<b>Non-operated</b>				
Operated by MOL Pakistan Oil and Gas Company B.V.				
Margala Petroleum Concession (Block 3372-20)	Rawalpindi, Islamabad, Haripur, Abbottabad	Punjab and Khyber Pakhtunkhwa (KPK)	30.00	30.00
Margala North Petroleum Concession (Block 3372-21)	Rawalpindi, Islamabad, Haripur, Abbottabad, Attock	Punjab and KPK	30.00	30.00
TAL Petroleum Concession (Block 3370-3)	Kohat, Karak, Bannu	KPK	*25.00	*25.00
Maramzai Development and Production lease	Kohat, Hangu	KPK		
Manzalai D&Production lease (175/PAK/2007)	Karak	KPK		
Makori D&Production lease (184/PAK/2012)	Karak	KPK		
Makori East D&Production lease (205/PAK/2013)	Karak	KPK		
Mamikhel Development and Production lease	Kohat	KPK		
Tolanj West D&P lease 234/PAK/2017	Kohat	KPK		
Tolanj D&P lease 233/PAK/2017	Kohat	KPK		
Mardankhel D&P lease 233/PAK/2017	Hangu	KPK		
Mamikhel South D& P lease 272/PAK/2021	Kohat	KPK		
Operated by Oil and Gas Company Limited				
Chaknaurang Mining Lease (125/PAK/98)	Chakwal	Punjab	15.00	15.00
Gurgalot Petroleum Concession Block (3371-5)	Kohat, Attock	Punjab and KPK	20.00	20.00
Jhal Magsi Development and Production Lease (2867-4)	Jhalmagsi	Balochistan	24.00	24.00
Chah Bali Exploration License (2996-2)	Mach, Mastung and Kalat	Balochistan	30.00	-
Operated by Ocean Pakistan Limited				
Bhangali D&P Lease (65/PAK/90)	Rawalpindi	Punjab	7.00	7.00
Dhumal Mining Lease (59/PAKISTAN)	Attock	Punjab	5.00	5.00
Ratana D&P Lease (94/PAK/94)	Attock	Punjab	4.55	4.55
Operated by Pakistan Petroleum Limited				
Adhi Mining Lease (72/PAKISTAN)	Rawalpindi, Chakwal	Punjab	11.00	11.00
Hisal Petroleum Concession (3372-23)	Rawalpindi, Chakwal, Attock	Punjab	25.00	25.00
Operated by Mari Petroleum Company Limited				
Taung Petroleum Concession (2567-12)	Jamshoro	Sindh	40.00	40.00
Nareli (3068-9)	Loralai, Sibi, Harnai	Balochistan	32.00	32.00

\* Pre-commerciality interest

#### 45. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in its meeting held on August 29, 2023 has proposed a final dividend for the year ended June 30, 2023 @ Rs 60 per share, amounting to Rs 17,031,306 thousand for approval of the members in the Annual General Meeting to be held on October 09, 2023.

#### 46. GENERAL

##### 46.1 Capacity

Following is production from the Company's fields including proportionate share from all operated and non-operated joint ventures:

Product	Unit	2023	2022
Crude Oil	US Barrels	1,829,336	2,017,581
Gas	Million Cubic Feet	23,726	25,825
LPG	Metric Tonnes	53,177	55,418
Sulphur	Metric Tonnes	609	475
Solvent Oil	US Barrels	18,334	18,605

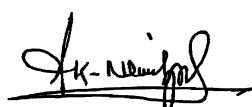
Considering the nature of the Company's business, information regarding installed capacity has no relevance.

46.2 Number of employees	2023	2022
Total number of employees as at June 30	669	694
Total number of employees at fields as at June 30	495	511
Average number of employees during the year	673	700
Average number of employees at fields during the year	494	514

46.3 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

##### 46.4 Date of authorization

These financial statements were authorized for issue by the Board of Directors of the Company on August 29, 2023.



Khalid Nafees  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director



06

Consolidated  
Financial  
Statements

For the year ended June 30, 2023



# Independent Auditors' Report

## To the members of Pakistan Oilfields Limited Report on the Audit of the Consolidated Financial Statements

### **Opinion**

We have audited the annexed consolidated financial statements of Pakistan Oilfields Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
(i)	<p><b>Analysis of impairment of development and decommissioning costs and exploration and evaluation assets</b></p> <p><i>(Refer note 4.15, 15 and 16 to the consolidated financial statements)</i></p> <p>As at June 30, 2023, the development and decommissioning costs amounted to Rs 7,825 million and exploration and evaluation assets amounted to Rs 1,761 million.</p> <p>The Group assesses at the end of each reporting period whether there is any indication that a Cash Generating Unit (CGU) may be impaired.</p> <p>Where impairment indicator is triggered for any CGU, an impairment test is performed by the management based on estimates of the value in use of that CGU.</p> <p>The calculation of value in use of development and decommissioning costs requires the exercise of significant management's estimates and judgements on certain assumptions such as (i) estimation of the volume of oil and gas recoverable reserves; (ii) estimation of future oil and gas prices; (iii) cost profiles and inflation applied; (iv) foreign exchange rates; and (v) discount rates.</p> <p>We considered this matter as key audit matter due to the significant value of the related assets at reporting date and due to significance of judgements used by management.</p>	<p>Our audit procedures in relation to management's impairment test, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the methodology used by management to estimate value in use of each CGU;</li> <li>• Assessed the assumptions of cash flow projections in calculation of the value in use of CGUs, challenging the reasonableness of key assumptions i.e. oil and gas reserves, oil and gas prices, production costs, foreign exchange rates and discount rates based on our knowledge of the business and industry by comparing the assumptions to historical results, and published market and industry data;</li> <li>• Assessed the impairment indicators as per IFRS 6 "Exploration for and Evaluation of Mineral Resources" for material balances included in exploration and evaluation assets;</li> <li>• Performed sensitivity analysis in consideration of the potential impact of reasonably possible downside changes in assumptions relating to oil and gas prices, discount rate and other assumptions and;</li> <li>• Assessed the appropriateness of disclosures made in the consolidated financial statements.</li> </ul>

S.No.	Key Audit Matters	How the matter was addressed in our audit
(ii)	<p><b>Investment in associated companies</b></p> <p><i>(Refer note 18 to the consolidated financial statements)</i></p> <p>The Group has investment in its associated companies National Refinery Limited (NRL) and Attock Petroleum Limited (APL). As at June 30, 2023, the carrying amount of investment in above referred associated companies amounted to Rs 11,395 million (net of recognised impairment loss of Rs 3,625 million) and Rs 4,416 million respectively which carrying values are higher by Rs 8,396 million and Rs 1,795 million respectively in relation to the quoted market value of their respective shares. The Group carries out impairment assessment at each reporting period end of the value of investment where there are indicators of impairment.</p> <p>The Group has assessed the recoverable amount of the investment in associated companies based on the higher of the value-in-use (“VIU”) and fair value (quoted market price as at June 30, 2023). VIU is based on valuation analysis carried out by an independent external investment advisor engaged by the Group for NRL and by the management’s expert for APL. VIU is based on a discounted cash flow model which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows.</p> <p>In view of significant management judgement involved in the determination of recoverable value i.e. higher of VIU and fair value, we considered this as a key audit matter.</p>	<p>Our audit procedures in relation to assessment of carrying value of investment in associated companies, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of management’s accounting for investment in associated companies;</li> <li>• Understood management’s process for identifying the existence of impairment indicators in respect of investment in associated companies;</li> <li>• Evaluated the independent external investment advisor’s and management expert’s competence, capabilities and objectivity;</li> <li>• Made inquiries of the independent external investment advisor/ management expert and assessed the valuation methodology used;</li> <li>• Checked, on sample basis, the reasonableness of the input data provided by the management to the independent external investment advisor and the management’s expert, to supporting evidence;</li> <li>• Assessed the reasonableness of cash flow projections, challenging and performing audit procedures on assumptions such as growth rate, future revenue and costs, terminal growth rate and discount rate by comparing the assumptions to historical results, budgets and comparing the current year’s results with prior year forecast and other relevant information;</li> <li>• Checked mathematical accuracy of cash flows projections;</li> <li>• Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions; and</li> <li>• Checked quoted price of investment in NRL and APL as of June 30, 2023 with publicly available stock exchange data; and</li> <li>• Assessed the adequacy of the Group’s disclosures in the consolidated financial statements in this respect.</li> </ul>

S.No.	Key Audit Matters	How the matter was addressed in our audit
(iii)	<p data-bbox="256 378 829 482"><b>Recognition of Revenue</b> <i>(Refer note 4.25 and 27 to the consolidated financial statements)</i></p> <p data-bbox="256 499 829 559">The Group is engaged in the production and sale of oil and gas resources.</p> <p data-bbox="256 577 829 687">The Group recognised net sales during the year from the sale of crude oil, gas and POLGAS/CAPGAS – Refill of cylinders amounting to Rs 33,564 million, Rs 15,841 million and Rs 12,511 million respectively.</p> <p data-bbox="256 705 829 1057">Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer’s acceptance of the product. Revenue is measured at the fair value of the consideration to which the Group expects to be entitled in exchange for transferring good/ services. Effect of adjustments, if any, arising from revision in sale prices is reflected as and when the prices are finalised with the customers and / or approved by Government of Pakistan.</p> <p data-bbox="256 1075 829 1218">We considered this as key audit matter due to the significance of the amounts requiring significant time and resource to audit due to magnitude, inherent risk of material misstatement and revenue being a key economic indicator of the Group.</p>	<p data-bbox="857 499 1498 559">Our audit procedures in relation to the matter, amongst others, included the following:</p> <ul data-bbox="878 577 1498 1734" style="list-style-type: none"> <li data-bbox="878 577 1498 687">• Assessed the design, implementation and operating effectiveness of the relevant key internal controls over revenue recognition from the sale of products;</li> <li data-bbox="878 705 1498 820">• Performed test of details on sample basis for sales transactions by inspecting respective invoices, delivery challans and acknowledgement of customers;</li> <li data-bbox="878 838 1498 1108">• Checked on sample basis, notifications of OGRA for natural gas and POLGAS/CAPGAS prices. For POLGAS/CAPGAS, also checked on sample basis Group’s mechanism for the calculation of price based on OGRA’s notification. Performed, on a sample basis, recalculation of crude oil and natural gas prices in accordance with applicable petroleum policies / agreements / decision of Economic Coordination Committee of the Cabinet;</li> <li data-bbox="878 1125 1498 1329">• Where pricing is provisional / sales agreement not finalised, (a) inspected correspondence with the customers and relevant government authorities during the year and held discussions with the Group; (b) inspected term sheets etc; and (c) checked price recorded is in line with applicable petroleum policy / agreed with the customers;</li> <li data-bbox="878 1347 1498 1462">• Assessed sales transactions on either side of the consolidated statement of financial position date to assess whether they are recorded in relevant accounting period;</li> <li data-bbox="878 1479 1498 1561">• Performed analytical procedures to analyse variation in the price and quantity sold during the year;</li> <li data-bbox="878 1579 1498 1661">• Tested journal entries related to revenue recognized during the year based on identified risk criteria; and</li> <li data-bbox="878 1678 1498 1734">• Assessed the appropriateness of disclosures made in the consolidated financial statements.</li> </ul>



S.No.	Key Audit Matters	How the matter was addressed in our audit
(iv)	<p><b>Litigation with respect to conversion of TAL Block petroleum concession to Petroleum Policy 2012</b></p> <p><i>(Refer note 27.1 to the consolidated financial statements)</i></p> <p>The Ministry of Energy (Petroleum Division) issued a notification dated December 27, 2017 (SRO) which required that the Supplemental Agreement already executed in respect of TAL block for conversion of petroleum concession from Petroleum Exploration and Production Policy 1997 to Petroleum Exploration and Production Policy 2012 shall be amended (within 90 days) to include Windfall Levy on Oil and Condensate (WLO), failing which the working interest owners will not remain eligible for gas price incentive as per Petroleum Policy 2012. The impugned notification was issued after the approval of Council of Common Interest (CCI) dated November 24, 2017.</p> <p>The Group challenged the said notification in the Islamabad High Court and the matter is pending before the Islamabad High Court in principle on the ground that an already executed arrangement cannot be retrospectively altered unilaterally. The Islamabad High Court has restrained the Government for any action under the impugned notification and to maintain status quo. Group's contention is duly supported by the legal advice on the matter.</p> <p>The supplemental agreement was signed under the conversion package where gas price was enhanced and WLO was not applicable. The impugned SRO, by giving retrospective effect, amounted to taking away the vested rights already accrued in favour of the Group. As per the legal opinion Government has no authority to give any law or policy a retrospective effect.</p> <p>The Group has not recognised the revenue (net of sales tax) to the extent of Rs 25,266 million since inception to June 30, 2023 on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 and will be accounted for upon resolution of this matter.</p> <p>We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.</p>	<p>Our audit procedures in relation to the matter, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Inspected Petroleum Concession Agreement (PCA) and Supplemental Agreements signed with the Government of Pakistan;</li> <li>• Checked SRO issued by the Ministry of Energy;</li> <li>• Checked relevant clauses of Petroleum Exploration &amp; Production Policy 2012 for applicability of WLO;</li> <li>• Discussed the matter with directors, management and internal legal department of the Group;</li> <li>• Obtained confirmation from the Group's external legal advisor and checked legal opinion obtained by the Group and the order issued by the Islamabad High Court;</li> <li>• Evaluated technical ability of the internal and external legal advisors used by the Group;</li> <li>• Assessed the matter under applicable accounting frame work; and</li> <li>• Assessed the appropriateness of disclosures made in the consolidated financial statements in respect of this matter.</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.

**Chartered Accountants**

Islamabad

**Date:** September 08, 2023

**UDIN:** AR202310053yxNH4gjZp

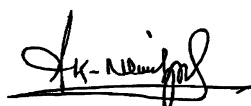
# Consolidated Statement of Financial Position

As at June 30, 2023

		2023	2022
	Note	Rupees ('000)	
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Equity attributable to owners of POL</b>			
Authorised capital	6	5,000,000	5,000,000
Issued, subscribed and paid up capital	6	2,838,551	2,838,551
Capital reserves	7	2,069,400	2,031,097
Revenue reserves	8	68,110,002	50,599,086
Gain on remeasurement of investment at fair value through Other Comprehensive Income (OCI)		3,639	4,368
		73,021,592	55,473,102
<b>Non-Controlling Interest</b>		122,926	114,974
		73,144,518	55,588,076
<b>NON CURRENT LIABILITIES</b>			
Long term deposits	9	1,048,113	1,015,727
Deferred liabilities			
- Deferred tax liability		5,713,972	6,383,854
- Provisions		26,129,254	19,213,057
	10	31,843,226	25,596,911
		32,891,339	26,612,638
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	11	37,992,958	31,134,788
Unpaid dividend - awaiting remittance by the authorized bank	12	9,433,214	-
Unclaimed dividend		317,153	275,702
Provision for income tax		12,018,991	9,802,862
		59,762,316	41,213,352
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13		
		165,798,173	123,414,066

		2023	2022
	Note	Rupees ('000)	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	5,952,098	6,755,903
Development and decommissioning costs	15	7,825,449	10,209,126
Exploration and evaluation assets	16	1,760,799	3,019,833
Intangible assets	17	146,785	189,939
Deferred tax asset		3,304	11,177
		15,688,435	20,185,978
<b>LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES</b>			
	18	15,868,873	14,445,000
<b>LONG TERM LOANS AND ADVANCES</b>			
	19	35,987	29,590
<b>CURRENT ASSETS</b>			
Stores and spares	20	6,008,241	5,754,403
Stock in trade	21	583,030	423,253
Trade debts	22	12,733,338	9,967,911
Advances, deposits, prepayments and other receivables	23	8,346,928	4,697,611
Other financial assets	24	1,112,163	-
Short term investments	25	35,055,731	-
Cash and bank balances	26	70,365,447	67,910,320
		134,204,878	88,753,498
		165,798,173	123,414,066

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.



Khalid Nafees  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



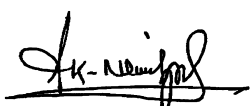
Abdus Sattar  
Director

# Consolidated Statement of Profit or Loss

For the year ended June 30, 2023

		2023	2022
	Note	Rupees ('000)	
<b>SALES</b>		67,725,392	59,934,299
Sales tax		(5,066,406)	(6,438,430)
Excise duty		(224,174)	(245,203)
<b>NET SALES</b>	27	62,434,812	53,250,666
Operating costs	28	(12,515,195)	(10,358,550)
Royalty		(6,880,170)	(5,563,309)
Amortization of development and decommissioning costs	29	(1,175,285)	(3,318,737)
		(20,570,650)	(19,240,596)
<b>GROSS PROFIT</b>		41,864,162	34,010,070
Exploration costs	30	(6,719,577)	(877,038)
		35,144,585	33,133,032
Administration expenses	31	(348,609)	(234,304)
Finance costs - net	32	(9,631,770)	(5,548,567)
Other charges	33	(2,495,747)	(2,029,809)
		(12,476,126)	(7,812,680)
		22,668,459	25,320,352
Other income - net	34	26,440,550	11,211,117
		49,109,009	36,531,469
Share of (loss) / profit of associated companies	18 & 35	(231,540)	3,577,350
Reversal of impairment / (impairment) on investment in associated company	18	2,164,811	(1,981,825)
<b>PROFIT BEFORE TAXATION</b>		51,042,280	38,126,994
Provision for taxation	36	(13,741,673)	(11,350,380)
<b>PROFIT FOR THE YEAR</b>		37,300,607	26,776,614
Attributable to:			
Owners of Pakistan Oilfields Limited (POL)		37,268,512	26,762,990
Non-Controlling Interest		32,095	13,624
		37,300,607	26,776,614
Earnings per share attributable to owners of POL - Basic and diluted (Rupees)	43	131.29	94.28

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.



Khalid Nafees  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



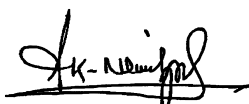
Abdus Sattar  
Director

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>Profit for the year</b>	37,300,607	26,776,614
<b>Other comprehensive income / (loss) for the year</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement gain / (loss) on staff retirement benefit plans	63,155	(61,040)
Tax (charge) / credit relating to remeasurement gain / (loss) on staff retirement benefit plans	(22,802)	19,508
	40,353	(41,532)
Share of other comprehensive income / (loss) of associated companies - net of tax	109,154	(12,305)
<b>Other comprehensive income / (loss) for the year, net of tax</b>	149,507	(53,837)
<b>Total comprehensive income for the year</b>	37,450,114	26,722,777
Attributable to:		
Owners of Pakistan Oilfields Limited (POL)	37,418,347	26,709,433
Non-Controlling Interest	31,767	13,344
	37,450,114	26,722,777

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.



Khalid Nafees  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



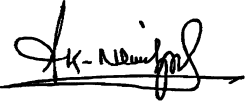
Abdus Sattar  
Director

# Consolidated Statement of Changes in Equity

For the year ended June 30, 2023

	Attributable to owners of Pakistan Oilfields Limited							Gain/(loss) on revaluation of investment at fair value through OCI	Total	Non- controlling interest	Total
	Share capital	Capital Reserves			Revenue reserves						
		Bonus shares issued by subsidiary/ associated companies	Special reserve	Utilised special reserve	Insurance reserve	General reserve	Unappropriated profit				
	Rupees ('000)										
<b>Balance at June 30, 2021</b>	2,838,551	71,395	15,437	1,941,044	200,000	7,077,325	30,810,225	2,447	42,956,424	122,024	43,078,448
Total comprehensive income for the year:											
Profit for the year	-	-	-	-	-	-	26,762,990	-	26,762,990	13,624	26,776,614
Other comprehensive income/(loss)	-	-	-	-	-	-	(55,478)	1,921	(53,557)	(280)	(53,837)
Transferred to special reserve by an associated company	-	-	1,466,263	-	-	-	26,707,512	1,921	26,709,433	13,344	26,722,777
Accumulated loss of an associated company offset against special reserve	-	-	(1,463,042)	-	-	-	(1,466,263)	-	-	-	-
POL dividends:											
Final dividend @ Rs 30 per share - Year ended June 30, 2021	-	-	-	-	-	-	(8,515,653)	-	(8,515,653)	-	(8,515,653)
Interim dividend @ Rs 20 per share - Year ended June 30, 2022	-	-	-	-	-	-	(5,677,102)	-	(5,677,102)	-	(5,677,102)
Dividend to CAPGAS non - controlling interest holders:											
Final dividend @ Rs 21.6 per share - Year ended June 30, 2021	-	-	-	-	-	-	-	-	-	(7,144)	(7,144)
First Interim dividend @ Rs 19.26 per share - Year ended June 30, 2022	-	-	-	-	-	-	-	-	-	(6,370)	(6,370)
Second Interim dividend @ Rs 16.3 per share - Year ended June 30, 2022	-	-	-	-	-	-	-	-	-	(5,391)	(5,391)
Third Interim dividend @ Rs 4.5 per share - Year ended June 30, 2022	-	-	-	-	-	-	-	-	-	(1,489)	(1,489)
Total transactions with owners	-	-	-	-	-	-	(14,192,755)	-	(14,192,755)	(20,394)	(14,213,149)
<b>Balance at June 30, 2022</b>	2,838,551	71,395	18,658	1,941,044	200,000	7,077,325	43,321,761	4,368	55,473,102	114,974	55,588,076
Total comprehensive income for the year:											
Profit for the year	-	-	-	-	-	-	37,268,512	-	37,268,512	32,095	37,300,607
Other comprehensive income/(loss)	-	-	-	-	-	-	150,564	(729)	149,835	(328)	149,507
Transferred to special reserve by an associated company	-	-	20,841	-	-	-	37,419,076	(729)	37,418,347	31,767	37,450,114
Bonus shares issued by an associated company - APL	-	17,462	-	-	-	-	(20,841)	-	-	-	-
POL dividends:											
Final dividend @ Rs 50 per share - Year ended June 30, 2022	-	-	-	-	-	-	(14,192,755)	-	(14,192,755)	-	(14,192,755)
Interim dividend @ Rs 20 per share - Year ended June 30, 2023	-	-	-	-	-	-	(5,677,102)	-	(5,677,102)	-	(5,677,102)
Dividend to CAPGAS non - controlling interest holders:											
First Interim dividend @ Rs 22.5 per share - Year ended June 30, 2023	-	-	-	-	-	-	-	-	-	(7,443)	(7,443)
Second Interim dividend @ Rs 20 per share - Year ended June 30, 2023	-	-	-	-	-	-	-	-	-	(6,615)	(6,615)
Third Interim dividend @ Rs 29.5 per share - Year ended June 30, 2023	-	-	-	-	-	-	-	-	-	(9,757)	(9,757)
Total transactions with owners	-	-	-	-	-	-	(19,869,857)	-	(19,869,857)	(23,815)	(19,893,672)
<b>Balance at June 30, 2023</b>	2,838,551	88,857	39,499	1,941,044	200,000	7,077,325	60,832,677	3,639	73,021,592	122,926	73,144,518

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.

  
Khalid Nafees  
Chief Financial Officer

  
Shuaib A. Malik  
Chief Executive

  
Abdus Sattar  
Director

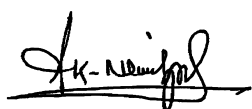


# Consolidated Statement of Cash Flows

For the year ended June 30, 2023

	Note	2023 Rupees ('000)	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		60,644,260	51,301,107
Operating and exploration costs paid		(12,365,619)	(8,902,612)
Royalty paid		(6,804,726)	(5,244,873)
Taxes paid		(12,210,353)	(9,187,784)
Cash provided by operating activities	46	29,263,562	27,965,838
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(5,786,746)	(4,670,235)
Proceeds from disposal of property, plant and equipment		7,288	6,088
(Investment in) / redemption of mutual funds - net		(1,109,245)	917
Income on bank deposits and investments at amortised cost		10,139,273	3,133,938
Dividend income received		635,316	505,052
Cash generated from / (used in) investing activities		3,885,886	(1,024,240)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(10,395,192)	(14,161,548)
Dividend paid to non-controlling interest holders		(23,815)	(20,394)
Cash used in financing activities		(10,419,007)	(14,181,942)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>		14,780,417	7,326,728
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		37,510,858	20,086,384
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		67,910,320	47,823,936
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	41	105,421,178	67,910,320

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.



Khalid Nafees  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## 1. LEGAL STATUS AND OPERATIONS

Pakistan Oilfields Limited (the Company) is incorporated in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Morgah, Rawalpindi. The Company is principally engaged in exploration, drilling and production of crude oil and gas in Pakistan. Its activities also include marketing of liquefied petroleum gas under the brand name POLGAS and transmission of petroleum. The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Coral Holding Limited.

CAPGAS (Private) Limited (CAPGAS), the subsidiary company is incorporated in Pakistan as a private limited company under the Companies Act, 2017 and is principally engaged in buying, filling, distribution and dealing in Liquefied Petroleum Gas (LPG).

For the purpose of these financial statements, POL and its consolidated subsidiary are referred as the Group.

Geographical location and addresses of all other business units of the Group have been disclosed in note 48.

## 2. STATEMENT OF COMPLIANCE

These are consolidated financial statements of the Group. These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

### 3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2023 & January 1, 2024
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IFRS 4	Insurance Contracts (Amendments)	January 1, 2023
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2024

**3.2** The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation / disclosures.

Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified or has been waived off by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)
- IFRS 17 (Insurance Contracts)
- IFRIC 12 (Service concession arrangements)

**3.3** The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 67 (I)/2023 dated January 20, 2023, in partial modification of its previous S.R.O. 985(1)/2019 and S.R.O 1177 (I)/2021 dated September 2, 2019 and September 13, 2021 respectively, has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of expected credit loss (ECL) model shall not be applicable till December 31, 2024, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. The Company has assessed that the above does not have any significant impact on its financial statements.

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **4.1 Basis of measurement**

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policy notes.

### **4.2 Basis of consolidation**

The consolidated financial statements include the financial statements of POL and its subsidiary CAPGAS with 51% holding (2022: 51%).

#### **a) Subsidiary**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The assets and liabilities of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the parent company is eliminated against the subsidiary shareholders' equity in the consolidated financial statements.

Material intra-group balances and transactions have been eliminated.

Non-controlling interests are that part of the net results of the operations and of net assets of the subsidiary attributable to interests which are not owned by the parent company. Non-controlling interest are presented as a separate item in the consolidated financial statements.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in associates are accounted for using the equity method of accounting. Under this method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to statement of profit or loss where applicable.

The Group's share of post-acquisition profit is recognized in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in statement of profit or loss and other comprehensive income with the corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence if the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognises the amount adjacent to share of profit/ (loss) of associates in the statement of profit or loss.

## 4.3 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Group has a single reportable segment as the Board of Directors views the Group's operations as one reportable segment.

## 4.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates. The financial statements are presented in Pakistan Rupees, which is the Group's functional currency.

## 4.5 Foreign currency transactions and translation

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange ruling on the date of the statement of financial position. Exchange differences are dealt with through the statement of profit or loss.

## 4.6 Taxation

Provision for current taxation is based on taxable income at applicable tax rates, adjusted for royalty payments to the Government.

Deferred tax is accounted for on all temporary differences using the liability method. Deferred tax liability has been calculated at the estimated effective rate of 36% (2022: 32%) after taking into account availability of future depletion allowance and set off available in respect of royalty payments to the Government whereas deferred tax asset / liability of CAPGAS has been calculated at applicable tax rate.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### **4.7 Provisions**

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

#### **4.8 Provision for decommissioning costs**

Provision for decommissioning costs is recognized in full for development wells and production facilities. The amount recognized is the present value of the estimated cost to abandon a well and remove production facilities. A corresponding intangible asset of an amount equivalent to the provision is also created and is amortized on unit of production basis over the total proved developed reserves of the field or @ 5% where the life of a field is more than 20 years.

Most of these abandonment and removal events are many years in the future and the precise requirements that will have to be met when the abandonment and removal event actually occurs are uncertain. Abandonment and asset removal technologies and costs are constantly changing, as are political, environmental, safety and public expectations. Consequently, the timing and amount of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed annually, together with the interest rate to be used in discounting the cash flows. Any difference between the liability recognized and actual costs incurred are charged/credited to statement of profit or loss in the year of decommissioning.

The effect of changes resulting from revisions to the estimate of the liability are incorporated on a prospective basis.

The decommissioning cost has been discounted at a real discount rate of 2.15% (2022: 1.00%) per annum.

#### **4.9 Employee compensated absences**

The Group provides for compensated absences for all eligible employees in accordance with the rules of the Group.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## 4.10 Staff retirement benefits

The Company and its subsidiary operates the following staff retirement benefits plans:

### POL

POL operates the following staff retirement benefits plans:

- (i) A pension plan for its management staff and a gratuity plan for its management and non-management staff. The pension and gratuity plans are invested through approved trust funds. Both are defined benefit final salary plans. The pension and gratuity plans are complementary plans for management staff. Pension payable to management staff is reduced by an amount determined by the actuary equivalent to amount paid by the gratuity fund. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Actuarial valuations are conducted annually using the "Projected Unit Credit Method" and the latest valuation was conducted as at June 30, 2023.

Actuarial gain and losses arising from experience adjustments and change in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in statement of profit or loss.

Since both are complementary plans, combined details and valuation for pension plan and gratuity plan are given in note 40.

- (ii) Separate approved contributory provident funds for management and non-management employees for which contributions are made by the Company and the employee at the rate of 10% of basic salary. Charge included in these financial statements is Rs 38,900 thousand (2022: Rs 31,779 thousand).

### CAPGAS

The subsidiary is operating a non funded gratuity plan for management and non-management employees. The liability for gratuity plan is provided on the basis of actuarial valuation conducted as at June 30, 2023 using the "Project Unit Credit Method".

## 4.11 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

## 4.12 Contingent liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

## 4.13 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for freehold land and capital work in progress, which are stated at cost less accumulated impairment losses (if any).

Depreciation is provided on straight line method at rates specified in note 14.1 to the financial statements. Depreciation is charged on additions from the month the assets become available for the intended use up to the month in which these are derecognized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" in the statement of profit or loss.

#### **4.14 Other intangible assets**

These are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is calculated using the straight line method over the period of useful life of the asset at the rates specified in note 17. Costs associated with maintaining intangibles are recognized as expense as and when incurred. Amortization on additions is charged from the month in which an intangible asset is acquired or capitalized, while no amortization is charged for the month in which the intangible asset is disposed off.

#### **4.15 Exploration assets / costs and development costs**

**4.15.1** Exploration and development costs are accounted for using the "Successful Efforts Method" of accounting.

##### **4.15.2 Exploration costs**

All exploration costs, other than those relating to exploratory drilling, are charged to income as incurred. Exploratory drilling costs i.e. costs directly associated with drilling of an exploratory well, are initially capitalized pending determination of proven reserves. These costs are either charged to income if no proved reserves are found or transferred to development costs after impairment loss, if proved reserves are found.

All capitalized costs are subject to review for impairment at least once a year and any impairment determined is immediately charged to income.

##### **4.15.3 Development costs**

Development costs are stated at cost less accumulated amortization and impairment losses. Expenditure on drilling of development wells, including unsuccessful development wells, is capitalized within development costs. Capitalized development costs are amortized on a unit of production basis over the total proved developed reserves of the field or @ 5% per annum where the life of the field is more than 20 years.

#### **4.16 Stores and spares**

Stores and spares are valued at cost determined on moving average formula less allowance for obsolete items. Stores in transit are stated at invoice value plus other charges paid thereon.

#### **4.17 Stock in trade**

Stocks are valued at the lower of average annual cost (including appropriate production overheads) and net realizable value. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs necessary to be incurred for its sale.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## 4.18 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in income for the year.

## 4.19 Trade debts and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less loss allowance.

Other receivables are recognised at cost, which is the fair value of the consideration given.

Refer note 4.22 for a description of the Group's impairment policies.

## 4.20 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Group loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

## 4.21 Financial assets

### Classification

The Group classifies its financial assets in the following measurement categories:

- (i) Amortised cost where the effective interest rate method will apply;
- (ii) Fair Value Through Profit or Loss (FVTPL); and
- (iii) Fair Value Through Other Comprehensive Income (FVTOCI)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.



For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at Fair Value Through Other Comprehensive Income (FVTOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

### **Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

### **Debt instruments**

Subsequent measurement of debt instruments depend on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group can classify its debt instruments:

#### **a) Amortised cost**

Financial assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

#### **b) Fair Value Through Other Comprehensive Income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

#### **c) Fair Value Through Profit or Loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income in the period in which it arises.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in statement of profit or loss.

## 4.22 Impairment of financial assets

The Group assesses on a historical as well as on a forward looking basis the expected credit losses (ECL) as associated with its trade debts, deposits and other receivables and cash and bank balances carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Group applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for deposits and other receivables and cash and bank balances i.e to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Deposits and other receivables
- Cash and bank balances
- Short term investments

### (i) Simplified approach for trade debts

The Group recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts with individually significant balance are separately assessed for ECL measurement. All other receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;

- Nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

### **Recognition of loss allowance**

The Group recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### **Write-off**

The Group write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

### **(ii) General approach for short term investment, deposits and other receivables and cash and bank balances.**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

### **Significant increase in credit risk**

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

## Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, in case of trade debts, the Group considers that default has occurred when the debt is more than 365 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

## Credit - impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

## 4.23 Financial Liabilities

### Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Group has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

**Derecognition of financial liabilities**

The Group derecognises financial liabilities when and only when the Group's obligations are discharged, cancelled or they expire.

**4.24 Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Group has a legally enforceable right to setoff the recognized amounts and the Group intends to settle on a net basis, or realize the asset and settle the liability simultaneously.

**4.25 Revenue recognition**

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised as follows:

- a) crude oil, upon delivery to customer;
- b) natural gas, upon delivery to the customer; and
- c) Liquefied Petroleum Gas (LPG), upon delivery to distributors at LPG plant facility

Revenue is measured at the fair value of the consideration to which the Group expects to be entitled in exchange for transferring goods/services. Prices of crude oil and gas are calculated in accordance with Petroleum Concession Agreements / Petroleum Policy / or as notified by the Government Authorities. Effect of adjustment, if any, arising from revision in sale price is reflected as and when the prices are finalized with the customers and/or approved by the Government.

Billings are generally raised in the following month which are payable within 30 to 45 days in accordance with the contractual arrangement with customers.

**4.26 Other Income**

Income on investments at amortised costs and bank deposits is recognized on time proportion basis using the effective yield method.

Dividend income is recognized when the right to receive dividend is established.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## **4.27 Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual right and obligations of the parties to the arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint operations. The Group has recognized its share of assets, liabilities, income and expenditure jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, the cost statements received from operators of the joint arrangements for the intervening period up to the statement of financial position date.

## **4.28 Cash and cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and finances under mark up arrangements.

## **4.29 Dividend distribution**

Dividend distribution to the shareholders is accounted for in the period in which dividend is declared.

## **4.30 Leases**

### **4.30.1 Right of use asset**

The Group assesses whether a contract is or contains a lease at inception of the contract. If the Group assesses that a contract contains a lease and meets requirements of IFRS 16, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

### **4.30.2 Lease liability**

If applicable, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- a. fixed payments, including in-substance fixed payments;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable under a residual value guarantee; and
- d. the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group has opted not to recognize right of use assets for short-term leases i.e. leases with a term of twelve(12) months or less. The payments associated with such leases are recognized in profit or loss when incurred.

- 4.30.3** During the year Rs 505,492 thousand (2022: Rs 568,925 thousand) have been capitalised in Development & Decommissioning costs and Exploration & Evaluation assets in respect of short-term leases.

## **5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Estimated crude oil/gas reserves used for amortization of development and decommissioning costs - note 4.15 and 15
- ii) Estimated useful life of property, plant and equipment - note 4.13 and 14.1
- iii) Estimated costs, discount and inflation rate used for provision for decommissioning costs - note 4.8 and 10.2
- iv) Estimate of recoverable amount of investment in associated companies - note 4.2 and 18
- v) Estimated value of staff retirement benefits obligations - note 4.10 and 40
- vi) Provision for taxation - note 4.6 and 36
- vii) Price adjustment related to crude oil sales - note 4.25 and 27
- viii) Impairment of financial assets - note 4.22
- ix) Right of use assets and corresponding lease liability - note 4.30
- x) Estimated useful life of intangible assets - note 4.14 and note 17

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

	2023	2022
<b>6. SHARE CAPITAL</b>	Rupees ('000)	
Authorised capital 500,000,000 (2022: 500,000,000) ordinary shares of Rs 10 each	5,000,000	5,000,000
Issued, subscribed and paid up capital		
Shares issued for cash 20,200,000 (2022: 20,200,000) ordinary shares	202,000	202,000
Shares issued as fully paid bonus shares 263,655,104 (2022: 263,655,104) ordinary shares	2,636,551	2,636,551
283,855,104 (2022: 283,855,104) ordinary shares of Rs 10 each	2,838,551	2,838,551
<b>6.1</b>	The Company is a subsidiary of The Attock Oil Company Limited which held 149,794,518 (2022: 149,794,518) ordinary shares at the year end.	
	2023	2022
<b>7. CAPITAL RESERVE</b>	Rupees ('000)	
Bonus shares issued by subsidiary/associated companies	88,857	71,395
Special reserve - note 7.1	39,499	18,658
Utilised special reserve - note 7.2	1,941,044	1,941,044
	2,069,400	2,031,097
<b>7.1</b>	This represents the Group's share of post-acquisition profit set aside as a special reserve by associated companies on account of expansion and modernisation of refineries or to offset against any future loss of Rs 39,217 thousand (2022: Rs 18,415 thousand), as a result of the directive of the Government to divert net profit after tax above 50 percent of paid-up capital and maintenance reserve of Rs 282 thousand (2022: Rs 243 thousand) retained by an Attock Gen Limited (an associate of Attock Petroleum Limited) to pay for major maintenance expenses in terms of Power Purchase Agreement. Special reserves are not available for distribution.	
<b>7.2</b>	This represents the Group's share of amounts utilised by associated companies out of the Special Reserve for upgradation and expansion of the refineries.	
	2023	2022
<b>8. REVENUE RESERVES</b>	Rupees ('000)	
Insurance reserve - note 8.1	200,000	200,000
General reserve - note 8.2	7,077,325	7,077,325
Unappropriated profit	60,832,677	43,321,761
	68,110,002	50,599,086



**8.1** The Group has set aside an insurance reserve for self insurance of assets which have not been insured and for deductibles against insurance claims.

**8.2** This includes Rs 1,557,794 thousand (2022: Rs 1,557,794 thousand) set aside by POL on account of gain on sale of investments as investment reserve to meet any future losses/ impairment on investments.

	2023	2022
	Rupees ('000)	
<b>9. LONG TERM DEPOSITS</b>		
Security deposits from distributors against equipment	989,182	960,019
Security deposits from distributors against distributorship and others	58,931	55,708
	<b>1,048,113</b>	<b>1,015,727</b>

**9.1** Amount received as security deposit is utilized/utilizable by the Group in accordance with the related agreements with customers.

	2023	2022
	Rupees ('000)	
<b>10. DEFERRED LIABILITIES</b>		
Deferred tax liability - note 10.1	5,713,972	6,383,854
Provisions		
- Provision for decommissioning costs - note 10.2	26,090,656	19,123,431
- Provision for staff compensated absences	2,949	2,540
- Provision for un-funded gratuity plan - CAPGAS	10,344	7,840
- Renewal fee	25,305	79,246
	<b>26,129,254</b>	<b>19,213,057</b>
	<b>31,843,226</b>	<b>25,596,911</b>

**10.1 Deferred tax liability**

Deferred tax liability represents:

Temporary differences between accounting and tax base of non current assets	6,143,168	6,747,113
Provision for stores and spares	(274,292)	(213,732)
Provision for doubtful receivable	(112)	(99)
Deferred tax on remeasurement loss on staff retirement benefit plans	(154,792)	(149,428)
	<b>5,713,972</b>	<b>6,383,854</b>

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>10.2 Provision for decommissioning costs</b>		
Balance brought forward	19,123,431	14,389,227
Revision due to change in estimates - note 10.2.1	(2,542,530)	(727,537)
Provision made during the year	132,309	22,137
Unwinding of discount - note 32	2,601,429	1,258,353
Exchange loss - note 32	7,010,980	4,282,697
Decommissioning cost incurred during the year	(234,963)	(101,446)
	26,090,656	19,123,431
<b>10.2.1 Revision due to change in estimates</b>		
Credited to related asset - note 15	(1,155,473)	(337,391)
Revision in excess of related asset credited to statement of profit or loss - note 29	(1,387,057)	(390,146)
	(2,542,530)	(727,537)

	2023	2022
<b>11. TRADE AND OTHER PAYABLES</b>	Rupees ('000)	
Creditors	253,400	389,271
Due to related parties		
Attock Hospital (Private) Limited	1,800	2,667
Attock Petroleum Limited	67,015	83,623
Attock Refinery Limited	22,696	10,401
National Refinery limited	8,058	601
Attock Lesiure and Management Associates (Private) Limited	-	857
Management Staff Pension Fund - note 40	134,557	169,593
Staff Provident Fund	-	1,663
General Staff Provident Fund	-	312
Workers' Profit Participation Fund - note 11.1	1,825,792	1,546,307
Due to joint operating partners		
The Attock Oil Company Limited	18,777	8,490
Others	2,580,128	1,435,659
Accrued liabilities	3,484,017	2,957,301
Contract Liabilities - Advances from customers	89,874	80,613
Royalty payable to Government of Pakistan	976,743	901,299
Excise duty payable	31,851	576
Petroleum levy payable	14,163	17,716
Workers' Welfare Fund payable	1,383,240	1,179,131
Liability for staff compensated absences	16,911	16,707
Current portion of deferred liabilities - renewal fee	51,150	45,515
Other Liabilities - note 11.2	27,032,786	22,286,486
	<b>37,992,958</b>	<b>31,134,788</b>
<b>11.1 Workers' Profit Participation Fund</b>		
Payable at beginning of the year	1,546,307	1,156,780
Amount allocated during the year	1,840,261	1,559,928
Amount paid to the Fund's trustees	(1,561,548)	(1,170,401)
Amount under provided in previous years	772	-
Payable at end of the year	<b>1,825,792</b>	<b>1,546,307</b>

**11.2** This represents payment received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive as explained in note 27.1.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## 12 UNPAID DIVIDEND - AWAITING REMITTANCE BY THE AUTHORIZED BANK

This represents dividend payable to parent company (non-resident), The Attock Oil Company Limited in United Kingdom (UK), for the year June 30, 2022, and interim dividend for the year ended June 30, 2023 awaiting remittance by the authorized bank due to regulatory constraints.

## 13 CONTINGENCIES AND COMMITMENTS

### 13.1 Contingencies

#### 13.1.1 POL

There were no material contingencies which warrant disclosure as at June 30, 2023 (2022: Rs nil).

#### 13.1.2 CAPGAS

In 2018, the Islamabad High Court held that the use of cylinders for the supply of LPG by the Company did not attract the levy and charge of sales tax under sales tax Act, 1990 and consequently the Company was not entitled to claim and adjust input tax amounting to Rs 5,644 thousand. The Company has filed an appeal with the Supreme Court of Pakistan which is pending adjudication. The management and legal advisor of the Company are confident that the matter will be decided in favour of the Company. Accordingly, no provision has been made in the financial statements of CAPGAS.

### 13.2 Group's share in contingencies of associated companies

	2023	2022
	Rupees ('000)	
a) Claims not acknowledged as debt including claims in respect of delayed payment charges by crude oil suppliers and freight claims	1,340,000	1,417,500
b) Claims raised on certain Oil Marketing Companies (OMCs) in respect of delayed payment charges not acknowledged as debt by the OMCs	1,267,500	1,267,500
c) Corporate guarantees and indemnity bonds issued by associated companies	1,055,105	826,264
d) Guarantees issued by bank on behalf of associated companies	349,583	180,836
e) Other contingencies based on financial statements of associated companies	142,238	166,622
f) An associated company has filed an Intra Court Appeal before Division Bench of Lahore High Court in respect of report of Inquiry Commission constituted to probe shortage of Petroleum Products in the Country. The Inquiry Commission held OGRA and OMCs responsible for Petroleum Products shortage crises in the month of June, 2020. The associated company is confident that it will be able to defend its stance effectively in the Lahore High Court.		

	2023	2022
	Rupees ('000)	
<b>13.3 Capital expenditure commitments outstanding</b>		
POL		
Share in joint operations	15,026,127	13,792,446
Own fields	4,586,947	5,047,000
Letter of credit issued by banks on behalf of POL	818,030	380,001
NRL		
Commitments outstanding for capital expenditure	231,518	166,330
APL		
Commitments outstanding for capital expenditure/ import of petroleum products against letter of credit facility	914,776	802,804
AITSL		
Commitments outstanding for capital expenditure	-	205
<b>14. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets - note 14.1	5,466,582	6,272,321
Capital work in progress - note 14.5	485,516	483,582
	5,952,098	6,755,903

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## 14.1 Operating assets

	Rupees ('000)								Total
	Freehold land	Buildings	Pipelines and pumps	Plant and machinery	Gas cylinders	Motor vehicles	Chattels	Computer and software development	
As at July 1, 2021									
Cost	30,248	551,215	2,546,312	16,372,099	965,148	643,148	192,977	583,635	22,690,294
Accumulated depreciation	-	(298,118)	(1,752,963)	(11,856,201)	(794,389)	(561,090)	(150,364)	(485,261)	(16,520,215)
Net book value	30,248	253,097	793,349	4,515,898	170,759	82,058	42,613	98,374	6,170,079
Year ended June 30, 2022									
Opening net book value	30,248	253,097	793,349	4,515,898	170,759	82,058	42,613	98,374	6,170,079
Additions	-	14,226	57,604	1,370,737	53,520	34,053	8,039	28,305	1,591,358
Disposals/deletions	-	-	-	(248)	-	-	(11)	(8)	(267)
Cost	-	(28)	(3,846)	(11,118)	(5,970)	(4,379)	(452)	(7,890)	(33,747)
Depreciation	-	28	3,846	10,870	5,970	4,379	441	7,882	33,480
Depreciation charge	-	(21,454)	(171,520)	(1,114,568)	(50,429)	(32,831)	(10,163)	(48,398)	(1,488,849)
Closing net book value	30,248	245,869	679,433	4,771,819	173,850	83,280	40,478	78,273	6,272,321
As at July 1, 2022									
Cost	30,248	565,413	2,600,070	17,731,718	1,012,698	672,822	200,564	604,050	24,247,905
Accumulated depreciation	-	(319,544)	(1,920,637)	(12,959,899)	(838,848)	(589,542)	(160,086)	(525,777)	(17,975,584)
Net book value	30,248	245,869	679,433	4,771,819	173,850	83,280	40,478	78,273	6,272,321
Year ended June 30, 2023									
Opening net book value	30,248	245,869	679,433	4,771,819	173,850	83,280	40,478	78,273	6,272,321
Additions	-	14,028	56,581	577,264	11,826	133,921	13,045	30,018	836,683
Disposals/deletions	-	-	(2,699)	(92,099)	(6,760)	(30,537)	(2,055)	(4,059)	(144,632)
Cost	-	-	2,699	84,265	6,760	30,537	2,035	4,059	136,778
Depreciation	-	-	-	(7,834)	-	-	(20)	-	(7,854)
Transfers to stores and spares	-	-	-	-	(19,248)	-	-	-	(19,248)
Depreciation charge	-	(21,899)	(170,771)	(1,213,335)	(68,403)	(48,805)	(10,338)	(45,766)	(1,615,320)
Closing net book value	30,248	237,998	565,243	4,127,914	98,025	168,396	43,165	62,525	5,466,582
As at June 30, 2023									
Cost	30,248	579,441	2,653,952	18,216,883	998,516	776,206	211,554	630,009	24,920,708
Accumulated depreciation	-	(341,443)	(2,088,709)	(14,088,969)	(900,491)	(607,810)	(168,389)	(567,484)	(19,454,126)
Net book value	30,248	237,998	565,243	4,127,914	98,025	168,396	43,165	62,525	5,466,582
Annual rate of Depreciation (%)	-	5	10	10	10	20	12.5-20		25

#### 14.2 Cost and accumulated depreciation include:

	Cost		Accumulated depreciation	
	2023	2022	2023	2022
	Rupees ('000)		Rupees ('000)	
Share in joint operations operated by the Group	1,575,514	1,540,222	1,393,432	1,366,181
Assets not in possession of the Group				
Share in joint operations operated by following				
MOL Pakistan Oil and Gas Company B.V.	12,527,472	12,119,964	9,999,069	9,150,286
Ocean Pakistan Limited	76,679	75,842	65,146	63,140
Oil and Gas Development Company Limited	74,324	74,175	62,480	57,236
Pakistan Petroleum Limited	2,325,458	2,312,037	1,607,319	1,412,957
	15,003,933	14,582,018	11,734,014	10,683,619
* Gas cylinders - in possession of distributors	908,077	805,305	837,153	742,686
	17,487,524	16,927,545	13,964,599	12,792,486

\*Due to large number of distributors it is impracticable to disclose the name of each person having possession of these assets, as required by 4th Schedule to the Companies Act, 2017.

	2023	2022
	Rupees ('000)	
<b>14.3 The depreciation charge has been allocated as follows:</b>		
Operating costs	1,615,192	1,488,825
Administrative expenses	128	24
	1,615,320	1,488,849

#### 14.4 Particulars of Group's immovable property including location and area of land are as follows:

District	Location	Total Area (In acres)
Attock	Khaur	297.59
Attock	Dhulian	746.17
Attock	Meyal	194.44
Chakwal	Balkassar	2.14
Rawalpindi	Rawalpindi	35.76
Rawalpindi	Rawalpindi - (Khaur- Rawalpindi pipe line)	63.35
	Rawalpindi - Adhi	4.77

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## 14.5 Capital work in progress

	Buildings	Plant and machinery / Pipelines and pumps	Computers and software development	Total
	Rupees ('000)			
Balance as at July 1, 2021	5,523	546,540	-	552,063
Additions during the year	237	383,277	-	383,514
Transfers during the year	-	(451,995)	-	(451,995)
Balance as at June 30, 2022	5,760	477,822	-	483,582
Balance as at July 1, 2022	5,760	477,822	-	483,582
Additions during the year	8,745	366,846	5,080	380,671
Transfers during the year	(13,052)	(360,762)	(4,923)	(378,737)
Balance as at June 30, 2023	1,453	483,906	157	485,516

		2023	2022
		Rupees ('000)	
<b>14.6 Break up of capital work in progress at June 30 is as follows:</b>			
POL			
Own fields		37,676	6,102
POL Gas		-	8,908
Share in Joint Ventures operated by others			
MOL Pakistan Oil and Gas Company B.V.	- TAL Block	956	21,013
	- Margala Block	269	269
Oil and Gas Development Company Limited	- Jhal Magsi D&P Lease	446,448	446,448
CAPGAS		167	842
		485,516	483,582



## 15. DEVELOPMENT AND DECOMMISSIONING COSTS

	Development Cost	Decommissioning Cost	Total
	Rupees ('000)		
As at July 1, 2021			
Cost	48,771,570	3,268,953	52,040,523
Accumulated amortization	(35,848,686)	(2,519,162)	(38,367,848)
Net book value	12,922,884	749,791	13,672,675
Year ended June 30, 2022			
Opening net book value	12,922,884	749,791	13,672,675
Additions	560,588	22,137	582,725
Disposals			
Cost	-	(20,476)	(20,476)
Accumulated amortization	-	20,476	20,476
	-	-	-
Revision due to change in estimates note 10.2.1	(147,697)	(189,694)	(337,391)
Amortization for the year - note 29	(3,534,368)	(174,515)	(3,708,883)
Closing net book value	9,801,407	407,719	10,209,126
As at July 1, 2022			
Cost	49,184,461	3,080,920	52,265,381
Accumulated amortization	(39,383,054)	(2,673,201)	(42,056,255)
Net book value	9,801,407	407,719	10,209,126
Year ended June 30, 2023			
Opening net book value	9,801,407	407,719	10,209,126
Additions	1,201,829	132,309	1,334,138
Disposals			
Cost	-	(59,827)	(59,827)
Accumulated amortization	-	59,827	59,827
	-	-	-
Revision due to change in estimates note 10.2.1	(969,945)	(185,528)	(1,155,473)
Amortization for the year - note 29	(2,474,109)	(88,233)	(2,562,342)
Closing net book value	7,559,182	266,267	7,825,449
As at June 30, 2023			
Cost	49,416,345	2,967,874	52,384,219
Accumulated amortization	(41,857,163)	(2,701,607)	(44,558,770)
Net book value	7,559,182	266,267	7,825,449

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

		2023	2022
		Rupees ('000)	
<b>15.1</b>	<b>Net book value at year end represents:</b>		
	Wholly owned fields	1,537,127	2,510,518
	Joint operations	6,288,322	7,698,608
		<b>7,825,449</b>	<b>10,209,126</b>
<b>16.</b>	<b>EXPLORATION AND EVALUATION ASSETS</b>		
	Balance brought forward	3,019,833	512,223
	Additions during the year	3,765,548	2,507,610
		<b>6,785,381</b>	<b>3,019,833</b>
	Dry and abandoned wells and irrecoverable cost charged to the profit or loss - note 30	(5,024,582)	-
		<b>1,760,799</b>	<b>3,019,833</b>
<b>16.1</b>	<b>Break up of exploration and evaluation assets at June 30 is as follows:</b>		
	Own fields		
	- Balkassar	1,740,737	-
	Share in joint operations operated by the POL		
	- DG Khan	-	2,979,667
	- Bhandak	20,062	12,072
	Share in joint operations operated by others		
	MOL Pakistan Oil and Gas Company B.V.		
	- Margala	-	28,094
		<b>1,760,799</b>	<b>3,019,833</b>
<b>17.</b>	<b>OTHER INTANGIBLE ASSETS</b>		
	Written down value	189,939	47,283
	Addition	-	203,921
	Less: Amortization for the year	43,154	61,265
		<b>146,785</b>	<b>189,939</b>
	Useful lives (years)	1-5	1-5
<b>17.1</b>	Intangible assets and additions represents amounts paid / present value of amount payable by CAPGAS to LPG producing companies against renewal fees of LPG supplies of 5 M.Tons/day. Amount payable have been discounted at one year KIBOR rate.		

	2023	2022
	Rupees ('000)	
<b>18. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES - EQUITY BASIS</b>		
Beginning of the year	14,445,000	13,337,592
Share of (Loss) / profit of associated companies	(231,540)	3,577,350
Share of other comprehensive income / (loss) of associated companies	109,154	(12,305)
Reversal of impairment / (Impairment loss) against investment in National Refinery Limited	2,164,811	(1,981,825)
Dividend received during the year	(618,552)	(475,812)
	15,868,873	14,445,000
<b>18.1 The Group's interest in associates are as follows:</b>		
Quoted		
National Refinery Limited (NRL) - note 18.3 19,991,640 (2022: 19,991,640) fully paid ordinary shares including 3,331,940 (2022: 3,331,940) bonus shares of Rs 10 each Quoted market value as at June 30, 2023: Rs 2,998,746 thousand (2022: Rs 5,049,289 thousand)	11,395,235	10,535,594
Attock Petroleum Limited (APL) - note 18.3 8,730,892 (2022: 6,984,714) fully paid ordinary shares including 5,362,492 (2022: 3,616,314) bonus shares of Rs 10 each Quoted market value as at June 30, 2023: Rs 2,621,450 thousand (2022: Rs 2,242,258 thousand)	4,416,290	3,861,854
Unquoted		
Attock Information Technology Services (Pvt) Limited (AITSL) 450,000 (2022: 450,000) fully paid ordinary shares of Rs 10 each	57,348	47,550
	15,868,873	14,445,000

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

**18.3** All associated companies are incorporated in Pakistan. All associated companies have share capital consisting solely of ordinary shares, which are held directly by the Group. Although the Group has less than 20 percent shareholding in APL and AITSL, these have been treated as associates since the Group has representation on their Board of Directors.

**18.2** No investment was made in subsidiary and associated companies during the year.

**18.3** The tables below provide summarised financial information for associated companies. The information disclosed reflects the amounts presented in the audited financial statements of the relevant associated companies, for the year ended June 30, 2023 (2022: June 30, 2022) and not the reporting entity's share of those amounts.

	National Refinery Limited		Attock Petroleum Limited		Attock Information Technology Services (Pvt) Limited	
	2023	2022	2023	2022	2023	2022
	Rupees ('000)		Rupees ('000)		Rupees ('000)	
<b>Summarised financial position</b>						
Current assets	78,788,494	69,590,902	87,219,524	78,375,032	529,425	413,769
Non- current assets	32,991,424	33,115,406	20,734,741	17,976,013	77,910	86,994
Current liabilities	76,445,155	61,869,415	54,099,015	51,685,732	24,447	18,925
Non- current liabilities	736,084	1,017,535	8,635,345	7,346,158	9,406	6,334
Net assets	34,598,679	39,819,358	45,219,905	37,319,155	573,482	475,504
<b>Reconciliation to carrying amounts:</b>						
Net assets as at July 1	39,819,762	31,587,791	37,319,155	22,720,934	475,504	407,416
(Loss) / profit for the year	(4,463,086)	9,079,013	12,460,790	18,536,343	97,977	68,088
Other comprehensive income / (loss)	441,906	(47,376)	(18,856)	(6,576)	-	-
Dividends paid	(1,199,499)	(799,666)	(4,541,184)	(3,931,546)	-	-
Net assets as at June 30	34,599,083	39,819,762	45,219,905	37,319,155	573,481	475,504
Group's percentage shareholding in the associate	25%	25%	7.0175%	7.0175%	10%	10%
Group's share in net assets	8,649,771	9,954,941	3,173,307	2,618,872	57,348	47,550
Excess of purchase consideration over carrying amount at the date of acquisition	6,371,355	6,371,355	1,242,982	1,242,982	-	-
Proportionate share in carrying value of net assets before impairment	15,021,126	16,326,296	4,416,290	3,861,854	57,348	47,550
Impairment	(3,625,891)	(5,790,702)	-	-	-	-
Carrying amount of investment	11,395,235	10,535,594	4,416,290	3,861,854	57,348	47,550
<b>Summarised statements of comprehensive income</b>						
Net revenue	298,805,449	251,875,728	473,938,329	370,074,929	184,189	161,769
(Loss) / profit for the year	(4,463,086)	9,079,013	12,460,790	18,536,343	97,977	68,088
Other comprehensive income / (loss)	441,906	(47,376)	(18,856)	(6,576)	-	-
Total comprehensive (loss) / income	(4,021,180)	9,031,637	12,441,934	18,529,767	97,977	68,088
Dividend received from associates	299,875	199,917	318,677	275,896	-	-

**18.4** The carrying value of investment in National Refinery Limited at June 30, 2023 is net of impairment loss of Rs 3,625,891 thousand (2022: Rs 5,790,702 thousand). The Group has assessed the recoverable amount of the investment in National Refinery Limited based on higher of Value In Use (VIU) and fair value (level 1 in the fair value hierarchy - quoted market price as at June 30, 2023). VIU is based on a valuation analysis carried out by an external investment advisor engaged by the Group. VIU has been assessed on discounted cash flow based valuation methodology which assumes gross profit margin of 5.52% (2022: 5.74%), a terminal growth rate of 4.0% (2022: 4.0%) and weighted average cost of capital of 30.20% (2022: 17.51%).

**18.5** Based on a valuation analysis carried out by the management, the recoverable amount of investment in Attock Petroleum Limited exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes an average gross profit margin of 4.92% (2022:5.83%), a terminal growth rate of 4.0% (2022: 4.0%) and a capital asset pricing model based discount rate of 23.10% (2022: 20.51%).

	2023	2022
	Rupees ('000)	
<b>19. LONG TERM LOANS AND ADVANCES, CONSIDERED GOOD</b>		
Long term loans and advances to employees	62,127	57,715
Less: Amount due within twelve months, shown under current loans and advances - note 23	26,140	28,125
	<b>35,987</b>	<b>29,590</b>

**19.1** Loans and advances to employees are for general purpose and for house rent advance which are recoverable in up to 60 and 36 equal monthly installments respectively and are secured by an amount due to the employee against provident fund. These loans and advances are interest free. These do not include any amount receivable from the Chief Executive and Directors. These loans have not been discounted, as the impact is considered insignificant.

	2023	2022
	Rupees ('000)	
<b>20. STORES AND SPARES</b>		
Stores and spares - note 20.1 , 20.2 and 20.3	6,770,163	6,422,316
Less: Provision for slow moving items - note 20.4	761,922	667,913
	<b>6,008,241</b>	<b>5,754,403</b>
<b>20.1 Stores and spares include:</b>		
Share in joint operations operated by the Group	777,909	684,310
Share in joint operations operated by others (assets not in possession of the Group)	1,663,332	1,687,046
	<b>2,441,241</b>	<b>2,371,356</b>

**20.2** Stores and spares include stores and spares in transit of Rs 298,998 thousand (2022: Rs 760,285 thousand).

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

**20.3** Stores and spares include items which may result in fixed capital expenditure but are not yet distinguishable.

	2023	2022
	Rupees ('000)	
<b>20.4 Provision for slow moving items</b>		
Balance brought forward	667,913	639,575
Provision for the year - charged to profit or loss	94,009	28,338
	761,922	667,913

## **21. STOCK IN TRADE**

Crude oil and other products - note 21.1	583,030	423,253
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**21.1** These include Rs 132,805 thousand (2022: Rs 62,825 thousand) being the Group's share in non-operated joint operations.

	2023	2022
	Rupees ('000)	
<b>22. TRADE DEBTS - Considered good</b>		
Due from related parties - note 22.1	5,405,172	6,749,456
Others	7,328,166	3,218,455
	12,733,338	9,967,911

## **22.1 Due from related parties**

Associated companies		
Attock Refinery Limited	5,375,353	6,726,161
National Refinery Limited	280	307
Attock Petroleum Limited	29,539	22,988
	5,405,172	6,749,456

Ageing analysis of trade debts receivable from related parties is given in note 39.3.1 to the financial statements.

The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs 6,469,809 thousand (2022: Rs 6,749,456 thousand).

	2023	2022
	Rupees ('000)	
<b>23. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Loans and advances - considered good		
Employees - note 19	27,537	30,023
Suppliers	402,631	387,618
	430,168	417,641
Trade deposits and short term prepayments		
Deposits	65,520	75,532
Short-term prepayments	175,641	172,404
	241,161	247,936
Interest income accrued	817,493	248,977
Other receivables		
Joint operating partners	450,493	313,169
Due from related parties		
Parent company		
The Attock Oil Company Limited	144,436	82,657
Gratuity Fund - note 40	334,177	226,505
General Staff Provident Fund	5,743	-
Staff Provident Fund	1,336	-
Sales tax refundable	5,387,036	3,141,897
Other (net of loss allowance of Rs 310 thousand (2022: Rs 310 thousand))	534,885	18,829
	6,858,106	3,783,057
	8,346,928	4,697,611

**23.1** The maximum aggregate amount due from related parties at the end of any month during the year was Rs 492,976 thousand (2022: Rs 82,657 thousand) respectively.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

		2023	2022
		Rupees ('000)	
<b>23.2</b>	The ageing analysis of receivable from related parties is as follows:		
	Upto 3 months	488,571	82,657
	3 to 6 months	-	-
	More than 6 months	-	-
		488,571	82,657
<b>24.</b>	<b>OTHER FINANCIAL ASSETS</b>		
	Investments in mutual funds classified as fair value through profit or loss - note 24.1	1,112,163	-
<b>24.1</b>	<b>Investments classified as fair value through profit or loss</b>		
	Balance at the beginning of the year	-	-
	Additions during the year	1,111,955	519,710
	Redemptions during the year	(2,710)	(520,627)
	Fair Value adjustment	2,918	917
	Balance at the end of the year	1,112,163	-



	2023			2022		
	Number of units	Cost	Fair value	Number of units	Cost	Fair value
	Rupees ('000)					
<b>24.1.1 Investments in mutual funds classified as fair value through profit or loss at June 30 include the following:</b>						
<b>Listed securities:</b>						
Meezan Rozana Amdani Fund - Note 24.1.2	4,058,657	202,933	202,933	-	-	-
NBP Money Market Fund	20,138,756	200,000	200,979	-	-	-
Atlas Money Market Fund	399,402	202,700	203,099	-	-	-
ABL Cash Fund	19,897,876	202,988	203,529	-	-	-
HBL Cash Fund	2,952,318	300,624	301,623	-	-	-
		1,109,245	1,112,163			

**24.1.2** Gain/loss realized or unrealized, from this investment is earned from arrangements permissible under shariah.

**24.1.3** The fair value of listed securities is based on quoted market prices at the statement of financial position date. The quoted market price used is the current bid price.

**25. Short term investments**

This represents Treasury Bills carried at amortised cost having maturity of less than three months at yield ranging from 15.80% to 21.99% (2022: nil) per annum.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>26. CASH AND BANK BALANCES</b>		
Bank balance on		
Short term deposits	62,969,880	66,046,782
Interest/mark-up bearing saving accounts	7,349,266	1,822,642
Current accounts	42,264	36,338
	70,361,410	67,905,762
Cash in hand	4,037	4,558
	70,365,447	67,910,320

Balance with banks include foreign currency balances of US \$ 201,024 thousand (2022: US \$ 169,602 thousand). The balances in saving accounts and short term deposits earned interest / mark-up ranging from 2.69% to 21.75% (2022: 0.25% to 18%).

	2023	2022
	Rupees ('000)	
<b>27. NET SALES</b>		
Crude oil	33,563,998	29,718,142
Gas - note 27.1	18,851,106	14,311,957
Less: Shrinkages/own use	3,010,217	2,042,897
	15,840,889	12,269,060
POLGAS/CAPGAS - Refill of cylinders	12,511,290	10,978,402
Solvent oil	489,546	285,062
Sulphur	29,089	-
	62,434,812	53,250,666

**27.1** On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject arrears.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of the following explanation of conversion package:

“the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii) EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training”.

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil / Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honourable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. After multiple hearings, last hearing was fixed on June 30, 2022, however the same could not be heard and next date of hearing is yet to be announced.

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to June 30, 2023 amounting to Rs 25,265,875 thousand will be accounted for upon resolution of this matter (including Rs 19,658,634 thousand related to period since inception to June 30, 2022). Additional revenue on account of enhanced gas price incentive of Rs 23,092,312 thousand and sales tax of Rs 3,928,026 thousand received from customer on the basis of notified prices has been shown as “Other liabilities” under “trade and other payables”. Sales tax of Rs 3,928,026 thousand (June 30, 2022: Rs 3,237,101 thousand) received from customer on the basis of notified prices is declared in the monthly sales tax return as well as duly deposited with Federal Board of Revenue by the Company. The amount so deposited is shown within “sales tax refundable” in “advances, deposits, prepayments and other receivables”.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>28. OPERATING COSTS</b>		
Operating cost - Own fields	1,605,754	1,043,106
- Share in joint operations - note 28.1	4,991,302	3,308,818
Well work over	76,699	568,151
POLGAS/CAPGAS -Cost of gas/LPG, carriage etc.	3,898,785	3,764,470
Head office and insurance charges	338,083	171,751
Pumping and transportation cost	106,003	77,060
Depreciation and amortization	1,658,346	1,550,090
	12,674,972	10,483,446
Opening stock of crude oil and other products	423,253	298,357
Closing stock of crude oil and other products	(583,030)	(423,253)
	12,515,195	10,358,550

**28.1** This includes Rs 652,229 thousand (2022: Rs nil) for stores and spares written off due to fire incident at Gas Processing Facility (GPF) store at TAL Block which is operated by MOL Pakistan Oil and Gas Co. BV. POL has adequate insurance cover and related assessment by insurance surveyor is in progress.

	2023	2022
	Rupees ('000)	
<b>29. AMORTIZATION OF DEVELOPMENT AND DECOMMISSIONING COSTS</b>		
Amoritzation charge for the year - note 15	2,562,342	3,708,883
Revision in estimates of provision for decommissioning costs in excess of related decommissioning costs asset credited to statement of profit or loss - note 10.2.1	(1,387,057)	(390,146)
	1,175,285	3,318,737

		2023	2022
		Rupees ('000)	
<b>30.</b>	<b>EXPLORATION COSTS</b>		
	Geological and geophysical cost		
	Own fields	289	151
	Share in joint operations operated by the POL		
	- DG Khan	2,208	141,311
	- Ikhlas	61,448	101,263
	- Pindori	183,817	-
	- North Dhurnal	32,617	21,498
	- Kirthar South	79,240	58,313
	Share in joint operations operated by others		
	MOL Pakistan Oil and Gas Company B.V.		
	- TAL Block	(68)	9,747
	- Margala Block	350,147	40,113
	- Margala North Block	(3,897)	(480)
	Oil and Gas Development Company Limited		
	- Kotra	8,410	(1,767)
	- Gurgalot	18,045	14,112
	- Chah Bali	11,176	-
	Pakistan Petroleum Limited		
	- Hisal	477,138	31,871
	Mari Petroleum Company Limited		
	- Taung	66,372	449,484
	- Nareli	408,053	11,422
		1,694,995	877,038
	Dry and abandoned wells and irrecoverable cost charged to profit or loss - note 15		
	Share in Joint operations operated by the POL		
	- DG Khan	4,353,065	-
	Share in Joint operations operated by others		
	MOL Pakistan Oil and Gas Company B.V.		
	- Margala Block	671,517	-
		5,024,582	-
		6,719,577	877,038

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>31. ADMINISTRATION EXPENSES</b>		
Establishment charges	467,999	319,725
Telephone and telex	1,412	1,242
Medical expenses	16,615	15,238
Printing, stationery and publications	8,686	6,806
Insurance	9,500	7,922
Travelling expenses	7,518	5,252
Motor vehicle running expenses	23,122	22,395
Rent, repairs and maintenance	115,131	79,036
Auditor's remuneration - note 31.1	18,511	11,468
Legal and professional charges	16,504	7,190
Stock exchange and CDC fee	5,999	5,420
Computer support and maintenance charges	50,830	39,139
Depreciation and Amortisation	128	24
Donations - note 31.2	30,000	-
Other expenses	9,972	7,485
	781,927	528,342
Less: Amount allocated to field expenses	433,318	294,038
	348,609	234,304
<b>31.1 Auditor's remuneration</b>		
Statutory audit - POL	2,542	2,311
- Capgas	475	475
Review of half yearly accounts, audit of consolidated accounts, staff funds, special certifications	4,530	2,154
Tax services	10,158	6,000
Out of pocket expenses	806	528
	18,511	11,468

**31.2** This represents (2022: Rs nil) donation made to "Prime Minister's - Flood Relief Fund" through Parent Company.

	2023	2022
	Rupees ('000)	
<b>32. FINANCE COSTS - NET</b>		
Provision for decommissioning cost - note 10.2		
- Unwinding of discount	2,601,429	1,258,353
- Exchange loss / (gain)	7,010,980	4,282,697
Banks' commission and charges	7,066	7,517
Unwinding of renewal fee liability	12,295	-
	9,631,770	5,548,567
<b>33. OTHER CHARGES</b>		
Workers' Profit Participation Fund	1,840,261	1,559,928
Workers' Welfare Fund	655,486	469,881
	2,495,747	2,029,809
<b>34. OTHER INCOME - NET</b>		
Income from financial assets - bank balances, short term deposits and treasury bills	10,707,789	3,196,672
Income on investments at amortised cost	-	11,476
Exchange gain on financial assets - net	14,780,417	7,326,728
Dividend on Investments classified as fair value through profit or loss- note 34.1	16,764	29,240
Fair value adjustment on investments classified as fair value through profit or loss	2,918	917
Rental income	302,221	196,110
Crude oil transportation income	432,963	405,858
Gas processing fee	81,973	21,249
(Loss) / gain on sale of property, plant and equipment	(566)	5,821
Gain on sale of stores and scrap	111,958	7,651
Others	4,113	9,395
	26,440,550	11,211,117

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>34.1 Dividend on Investments classified as fair value through profit or loss</b>		
Meezan Rozana Amdani Fund	3,450	-
Pakistan Cash Management Fund	-	5,735
NBP Money Market Fund	2,871	5,843
Atlas Money Market Fund	3,176	-
ABL Cash Fund	3,516	17,662
HBL Cash Fund	3,751	-
	16,764	29,240

## 35. SHARE OF PROFITS OF ASSOCIATED COMPANIES

Share of profits of associated companies is net of taxation and based on the audited financial statements of the associated companies for the year ended June 30, 2023.

	2023	2022
	Rupees ('000)	
<b>36. PROVISION FOR TAXATION</b>		
Current		
- for the year	14,424,974	10,791,314
- for prior year	1,508	427
	14,426,482	10,791,741
Deferred - for the year	(684,809)	558,639
	13,741,673	11,350,380
<b>36.1 Reconciliation of tax charge for the year</b>		
Accounting profit - before taxation	51,042,280	38,126,994
* Tax at applicable tax rate of 40.40% (2022: 44.37% )	20,621,081	16,916,947
Tax effect of depletion allowance, royalty payments and amounts not taxable or taxed at lower rates	(11,477,065)	(8,510,555)
Impact of super tax	3,269,023	2,386,544
Tax effect of change in applicable rate in respect of deferred tax	900,897	432,063
Others	427,737	125,381
Tax charge for the year	13,741,673	11,350,380

\* The applicable tax rate is the weighted average of tax rates applicable to income from oil and gas concessions and income from other activities.



### 37. OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Group is disclosed in note 27.

Revenue from two major customers of the Company constitutes 79% of the total revenue during the year ended June 30, 2023 (June 30, 2022: 75%).

### 38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statement in respect of remuneration, including benefits and perquisites to the chief executive, directors and executives of the Group are given below:

	Chief Executive		Executives	
	2023	2022	2023	2022
	Rupees ('000)		Rupees ('000)	
Managerial remuneration	9,514	8,373	188,500	138,474
Bonus	9,071	5,708	150,274	93,343
Housing, utility and conveyance	7,752	6,613	155,974	127,040
Group's contribution to pension, gratuity and provident funds	-	-	71,506	52,421
Leave passage	1,269	1,269	19,865	19,902
Other benefits	7,344	4,685	93,303	54,270
	34,950	26,648	679,422	485,450
No. of persons, including those who worked part of the year	1	1	74	57

In addition to remuneration, the Chief Executive and certain executives were provided with use of the Group's cars and residential telephone facilities. The Group also provides medical facilities to its staff.

The aggregate amount charged in these consolidated financial statements in respect of fee to 7 directors (2022: 7) was Rs 11,859 thousand (2022: Rs 9,139 thousand). This includes Rs 7,702 thousand (2022: Rs 5,618 thousand) paid to 4 non-executive directors (2022: 4) of the Group.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## 39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 39.1 Financial assets and liabilities

	Amortised cost	Investments classified as fair value through profit or loss	Total
	Rupees ('000)		
<b>June 30, 2023</b>			
<b>Financial assets</b>			
Maturity up to one year			
Trade debts	12,733,338	-	12,733,338
Advances, deposits and other receivables	2,040,364	-	2,040,364
Other financial assets	-	1,112,163	1,112,163
Short term investments	35,055,731	-	35,055,731
Cash and bank balances	70,365,447	-	70,365,447
Maturity after one year			
Long term loans and advances	35,987	-	35,987
	120,230,867	1,112,163	121,343,030
<b>Financial liabilities</b>			
Maturity up to one year			
Trade and other payables	32,328,360	-	32,328,360
Unpaid dividend - awaiting remittance by authorized bank	9,433,214	-	9,433,214
Unclaimed dividend	317,153	-	317,153
Maturity after one year			
Long term deposits	1,048,113	-	1,048,113
	43,126,840	-	43,126,840

	Amortised cost	Investments classified as fair value through profit or loss	Total
			Rupees ('000)
<b>June 30, 2022</b>			
<b>Financial assets</b>			
Maturity up to one year			
Trade debts	9,967,911	-	9,967,911
Advances, deposits and other receivables	769,187	-	769,187
Cash and bank balances	67,910,320	-	67,910,320
Maturity after one year			
Long term loans and advances	29,590	-	29,590
	<b>78,677,008</b>	<b>-</b>	<b>78,677,008</b>
<b>Financial liabilities</b>			
Maturity up to one year			
Trade and other payables	26,035,039	-	26,035,039
Unclaimed dividend	275,702	-	275,702
Maturity after one year			
Long term deposits	1,015,727	-	1,015,727
	<b>27,326,468</b>	<b>-</b>	<b>27,326,468</b>

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## 39.2 Credit quality of financial assets

The credit quality of Group's financial assets have been assessed below by reference to external credit ratings of counter parties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

		2023	2022
	Rating	Rupees ('000)	
<b>Trade debts</b>			
Counterparties with external credit rating	A1+	5,414,966	6,733,199
	A1	7,064,767	3,164,485
	A2	173,262	1,984
Counterparties without external credit rating			
Existing customers with no default in the past		80,343	68,243
		12,733,338	9,967,911
<b>Advances, deposits and other receivables</b>			
Counterparties with external credit rating	A1+	1,318,183	336,945
Counterparties without external credit rating			
Existing customers/ joint operating partners with no default in the past		550,208	289,023
Receivable from employees		27,537	30,023
Receivable from parent company		144,436	82,657
Others		-	30,539
		2,040,364	769,187
<b>Other financial assets</b>			
Counterparties with external credit rating	AM2+ / AA+s(f)	203,099	-
	AM1 / AA(f)	200,979	-
	AM1 / AA+(f)	708,085	-
		1,112,163	-
<b>Short term investments</b>			
Counterparties without external credit rating			
Treasury Bills issued by the Government of Pakistan		35,055,731	-
		35,055,731	-

		2023	2022
	Rating	Rupees ('000)	
<b>Bank balances</b>			
Counterparties with external credit rating	A1+	70,361,228	67,903,426
	A1	182	2,336
		70,361,410	67,905,762
Long term loans and advances			
Counterparties without external credit rating			
Receivable from employees		35,987	29,590

### 39.3 FINANCIAL RISK MANAGEMENT

#### 39.3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rates risk and price risk). The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

##### (a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

As of June 30, 2023, trade debts of Rs 4,870,997 thousand (2022: Rs 740,525 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2023	2022
	Rupees ('000)	
Due from related parties		
Up to 3 months	1,999	3,126
3 to 6 months	1,476	9,708
6 to 12 months	106,018	95,400
Above 12 months	-	-
	109,493	108,234
Due from others		
Up to 3 months	1,900,830	73,559
3 to 6 months	2,289,838	69,459
6 to 12 months	462,300	453,388
Above 12 months	108,536	35,885
	4,761,504	632,291
	4,870,997	740,525

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## (b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash and marketable securities. At June 30, 2023, the Group had financial assets of Rs 121,343,030 thousand (2022: Rs 78,677,008 thousand).

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the maturity date. The amounts disclosed in the table are undiscounted cash flows which have been inflated using appropriate inflation rate, where applicable.

	Less than 1 year	Between 1 to 5 years	Over 5 years
	Rupees ('000)		
<b>At June 30, 2023</b>			
Long term deposits	-	924,820	123,293
Trade and other payables	32,328,360	-	-
Unpaid dividend - awaiting remittance by authorized bank	9,433,214	-	-
Unclaimed dividend	317,153	-	-
<b>At June 30, 2022</b>			
Long term deposits	-	895,565	120,162
Trade and other payables	26,035,039	-	-
Unclaimed dividend	275,702	-	-

## (c) Market risk

### (i) Currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from currency exposure with respect to the US dollar. Currently foreign exchange risk is restricted to trade debts, bank balances, receivable from/ payable to joint operating partners and payable to suppliers.

Financial assets include Rs 59,591,245 thousand (2022: Rs 36,827,358 thousand) and financial liabilities include Rs 2,798,153 thousand (2022: Rs 139,193 thousand) which are subject to currency risk.

The following significant exchange rates were applied during the year:

	2023	2022
<b>Rupees per USD</b>	Rupees	
Average rate	247.55	176.98
Reporting date rate	286.60	205.75

If exchange rates had been 10% lower / higher with all other variables held constant, profit after tax for the year would have been Rs 3,975,516 thousand (2022: Rs 2,568,172) lower / higher.

**(ii) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets include Rs 106,487,040 thousand (2022: Rs 67,780,632 thousand) which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

If interest rates had been 1% higher / lower with all other variables held constant, profit after tax for the year would have been Rs 557,657 thousand (2022: Rs 369,607 thousand) higher / lower, mainly as a result of higher/lower interest income from these financial assets.

**(iii) Price risk**

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the statement of financial position as investments classified as fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the investment policy of the Group.

Financial assets include Rs 1,112,163 thousand (2022: Rs nil) which are subject to price risk.

If prices had been 1% higher / lower with all other variables held constant, profit after tax for the year would have been Rs 6,784 thousand (2022: Rs nil) higher / lower, mainly as a result of exposure to fluctuation in prices of these financial assets.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## 39.3.2 Capital risk management

The Group's objectives when managing capital are to ensure the Group's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Group may adjust the amount of dividends paid to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The gearing ratio of the Group has always been low and the Group has mostly financed its projects and business expansions through equity financing. Further, the Group is not subject to externally imposed capital requirements.

## 39.3.3 Fair value of financial assets and liabilities

All financial assets and financial liabilities are initially recognised at fair value of consideration paid or received, net of transaction costs as appropriate. The carrying values of other financial assets and liabilities of the Group not carried at fair value is a reasonable approximation of their fair values. The table below analyzes financial assets are measured at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Group held the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
June 30, 2023				
				Rupees ('000)
Other financial assets classified as fair value through profit or loss	1,112,163	-	-	1,112,163
June 30, 2022				
Other financial assets classified as fair value through profit or loss	-	-	-	-



#### 40. STAFF RETIREMENT BENEFITS

The details of actuarial valuation of defined benefit funded plans carried out as at year end are as follows:

##### 40.1 Funded gratuity and pension plan

##### **POL - defined benefit funded plan**

##### 40.2 The amounts recognized in the statement of financial position are as follows:

	2023	2022
	Rupees ('000)	
Present value of defined benefit obligations	1,959,276	1,769,240
Fair value of plan assets	(2,158,896)	(1,826,152)
	(199,620)	(56,912)
Amounts in the statement of financial position:		
Gratuity Fund - (Asset)	(334,177)	(226,505)
Management Staff Pension Fund Liability	134,557	169,593
Net (Assets)	(199,620)	(56,912)
<b>40.3 The amounts recognized in the statement of profit or loss are as follows:</b>		
Current service cost	51,027	44,108
Net interest cost	(14,859)	(10,505)
	36,168	33,603
<b>40.4 The amounts recognized in statement of profit or loss and other comprehensive income are as follows:</b>		
Remeasurement due to:		
Change in financial assumptions	(21,638)	(1,369)
Experience adjustments	73,149	69,163
Investment loss	(115,610)	(7,559)
	(64,099)	60,235
<b>40.5 Changes in the present value of defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	1,769,240	1,618,605
Current service cost	51,027	44,108
Interest cost	221,304	155,997
Remeasurement loss	51,511	67,794
Benefits paid	(133,806)	(117,264)
Closing defined benefit obligation	1,959,276	1,769,240

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>40.6</b> Changes in fair value of plan assets are as follows:		
Opening fair value of plan assets	1,826,152	1,677,955
Interest income	236,163	166,502
Remeasurement gain	115,610	7,559
Contribution by employer	114,777	91,399
Benefits paid	(133,806)	(117,263)
Closing fair value of plan assets	2,158,896	1,826,152

**40.7** The major categories of plan assets as a percentage of total plan assets of defined pension and gratuity plans are as follows:

	2023		2022	
	Rupees ('000)	%age	Rupees ('000)	%age
Unquoted:				
Government bonds / securities	2,146,677	99	4,992	-
Cash and cash equivalents	12,219	1	1,821,160	100
	2,158,896	100	1,826,152	100

The funds have no investment in the Company's own securities.

**40.8** Principal actuarial assumptions

The principal assumptions used in the actuarial valuation are as follows:

	2023	2022
	%	%
Discount rate	15.25	13
Expected rate of salary increase	13.75	12
Expected rate of pension increase	9	6.75

**40.9** Mortality was assumed to be 70% of the EFU(61-66) Table at valuations on both dates, June 30, 2022 and 2023.

**40.10** The pension and gratuity plans are defined benefits final salary plans and both plans are invested through approved trust funds. The trustees of the funds are responsible for plan administration and investment. The Company appoints the trustees who are employees of the Company.

The plans expose the Company to various actuarial risks: investment risk and salary risk from both plans and longevity risk from the pension plan.

The asset ceiling does not apply. The Company can use the surplus in the pension and gratuity fund to reduce its future contributions or can apply to the Commissioner of Income Tax for a refund.

#### 40.11 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by one percent.

	Defined benefit obligation	
	1 percent increase	1 percent decrease
	Rupees ('000)	
Discount rate	(156,362)	183,857
Salary increase	64,615	(58,868)
Pension increase	119,015	(105,080)

If life expectancy increases by 1 year, the obligation increases by Rs 58,089 thousand.

The impact of changes in financial assumptions has been determined by revaluation of the obligations on different rates. The impact of increase in longevity has been calculated on the aggregate for each class of employees.

**40.12** The weighted average duration of the defined benefit obligation is given below:

Plan Duration	Pension	Gratuity
	Years	
June 30, 2023	11.7	7.9
June 30, 2022	11.4	8

**40.13** The Company contributes to the pension and gratuity funds on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit.

Projected payments	Pension	Gratuity
	Rupees ('000)	
Contributions FY 2024	66,068	-
Benefit payments:		
FY 2024	114,173	30,979
FY 2025	125,221	49,821
FY 2026	135,341	37,840
FY 2027	150,322	63,534
FY 2028	163,091	55,674
FY 2029-33	1,179,833	575,161

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## CAPGAS - unfunded defined benefit plan

**40.14** The amounts recognized in the statement of financial position are as follows:

	2023	2022
	Rupees ('000)	
Present value of defined benefit obligation	10,344	7,840

**40.15** The amounts recognized in the statement of profit or loss are as follows:

Current service cost	541	467
Interest cost	1,019	671
	1,560	1,138

**40.16** The amounts recognized in other comprehensive income are as follows:

Remeasurement loss on staff retirement benefit plan	944	805
-----------------------------------------------------	-----	-----

**40.17** Changes in the present value of defined benefit obligation are as follows:

Opening defined benefit obligation	7,840	7,862
Current service cost	541	467
Interest cost	1,019	671
Benefits paid	-	(1,965)
Remeasurement	944	805
Closing defined benefit obligation	10,344	7,840

## **40.18** Principal actuarial assumptions

The principal assumptions used in the actuarial valuation are as follows:

	2023	2022
	%	%
Discount rate	15.25	13.00
Expected rate of salary increase	15.25	13.00

**40.19** Mortality was assumed to be 70% of the EFU (61-66) Table at valuations on both dates, June 30, 2023 and 2022.

## **40.20** Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/ (decreased) as a result of a change in respective assumptions by one percent.

	Defined benefit obligation	
	1 percent increase	1 percent decrease
	Rupees ('000)	
Discount rate	(663)	750
Salary increase	743	(669)

The impact of changes in financial assumptions has been determined by revaluation of the obligation on different rates.

**40.21** The weighted average number of the defined benefit obligation is given below:

Plan Duration	Years
June 30, 2023	8.0
June 30, 2022	8.5

**40.22** Projected payments are as follows:

	Rupees ('000)	
	2023	2022
FY 2024		1,966
FY 2025		591
FY 2026		571
FY 2027		694
FY 2028		816
FY 2029-33		17,547

	Note	Rupees ('000)	
		2023	2022
<b>41. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	26	70,365,447	67,910,320
Short term investments	25	35,055,731	-
		105,421,178	67,910,320

## **42. INTEREST IN SUBSIDIARY**

**42.1** CAPGAS is only subsidiary of POL as at June 30, 2023. CAPGAS has share capital consisting solely of ordinary shares that are held directly by POL, and the proportion of ownership interest held equals the voting right held by POL. POL holds 51% (2022: 51%) interest in CAPGAS. There are no significant restrictions on Company's ability to use assets, or settle liabilities of CAPGAS.

### **42.2 Non-controlling interest**

Following is the summarised financial information of CAPGAS that has 49% (2022: 49%) ownership interest held by non-controlling interests. The amounts disclosed are before inter-company eliminations:

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

	2023	2022
	Rupees ('000)	
<b>Summarised financial position</b>		
Current assets	313,489	276,938
Non-current assets	199,395	254,508
Current liabilities	103,075	89,559
Non-current liabilities	158,942	207,248
Net assets	250,867	234,639
Accumulated NCI	122,926	114,974
<b>Summarised statement of comprehensive income</b>		
Net revenue	1,482,530	1,356,987
Profit for the year	65,498	27,804
Other comprehensive (loss)	(670)	(572)
Total comprehensive income for the year	64,828	27,232
Profit attributable to NCI	32,094	13,624
Total comprehensive income attributable to NCI	31,766	13,344
Dividend paid to NCI	23,815	20,394
<b>Summarised statement of cash flows</b>		
Cash flow from operating activities	99,436	61,307
Cash flow from investing activities	31,786	(83,771)
Cash flow from financing activities	(48,600)	(41,622)
Net increase / (decrease) in cash and cash equivalent	82,622	(64,086)
<b>43. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF POL - BASIC AND DILUTED</b>		
Profit for the year attributable to owners of POL (in thousand rupees)	37,268,512	26,762,990
Weighted average number of ordinary shares in issue during the year (in thousand shares)	283,855	283,855
Basic and diluted earnings per share (Rupees)	131.29	94.28

#### 44. TRANSACTIONS WITH RELATED PARTIES

44.1 Aggregate transactions with related parties, other than remuneration to the chief executive, directors and executive of the Group under their terms of employment, were as follows:

		2023	2022
Basis of Relationship		Rupees ('000)	
Parent company - The Attock Oil Company Limited	Holding company		
Dividend paid		1,052,458	7,489,766
Rental expense		83,596	58,783
Purchase of LPG		126,216	134,942
Reimbursement of expenses incurred by AOC on behalf of POL		2,098	4,045
Reimbursement of expenses incurred by POL on behalf of AOC		376	-
Associated companies			
Attock Refinery Limited	Common directorship		
Sale of crude oil and gas		32,990,224	28,278,660
Crude oil and gas transmission charges		4,798	4,201
Rental income		2,955	2,908
Rental expense		1,509	1,466
Reimbursement of expenses incurred by POL on behalf of ARL		1,120	1,012
Reimbursement of expenses incurred by ARL on behalf of POL		18,519	26,665
Purchase of fuel		34,507	21,473
Purchase of LPG		278,069	209,391
National Refinery Limited	25% share holding & common directorship		
Sale of crude oil		-	18,603
Reimbursement of expenses incurred by POL on behalf of NRL		69	6
Reimbursement of expenses incurred by NRL on behalf of POL		284	615
Rental expense		3,891	3,102
Purchase of LPG		207,221	241,019
Dividend received		299,875	199,916
Attock Petroleum Limited	7.0175% share holding & common directorship		
Purchase of fuel and lubricants		1,247,821	993,916
Sale of solvent oil		489,546	285,063
Rental income		1,239	1,186
Purchase of services		795	613
Purchase of goods		1,784	1,753
Reimbursement of expenses incurred by POL on behalf of APL		39,354	31,354
Dividend received		318,677	275,896
Profit Disbursement		-	1,074

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

		2023	2022
	Basis of Relationship	Rupees ('000)	
Attock Information Technology (Private) Limited Purchase of services	10% share holding & Common directorship	71,822	64,363
Attock Hospital (Private) Limited Purchase of medical services	Common directorship	19,376	17,322
Attock Leisure and management Associates (Private) Limited Purchase of services	Common directorship	-	8,480
Attock Energy (Private) Limited Purchase of services	Common directorship	-	2,091
Other associated entities Dividend paid		15,062	9,259
<b>Other related parties</b>			
Remuneration of Chief Executive, Directors Honorarium & Key Management personnel including benefits & perquisites		156,728	163,654
Dividend paid to key management personnel		232,706	164,568
Contribution to staff retirement benefits plans Management Staff Pension Fund and Gratuity Fund		114,777	91,399
Approved Contributory Provident Funds		39,026	31,873
Contribution to Workers' Profit Participation Fund		1,840,261	1,559,617

#### 44.2 Associated Companies incorporated outside Pakistan with whom the Group had entered into transaction or had agreements are as follows:

i) Name of undertaking	The Attock Oil Company Limited
ii) Country of Incorporation	United Kingdom
iii) Basis of association	Parent Company
iv) Aggregate %age of shareholding	52.77%

#### 45. CONTRIBUTORY PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.



	2023	2022
	Rupees ('000)	
<b>46. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	51,042,280	38,126,994
Adjustments for:		
Depreciation	1,615,320	1,488,849
Dry and abandoned wells and irrecoverable cost	5,024,582	-
Fair value adjustment on investments classified as fair value through profit or loss	(2,918)	(917)
Amortization of other intangible assets	43,154	61,265
Amortization of development and decommissioning costs	1,175,285	3,318,737
Finance costs	9,624,704	5,541,050
Exchange gain on financial assets	(14,780,417)	(7,326,728)
Loss / (gain) on sale of property, plant and equipment	566	(5,821)
Share of loss / (profit) of associated companies (Reversal of impairment) / Impairment on investment in associated company	231,540 (2,164,811)	(3,577,350) 1,981,825
Income from financial assets - bank balances short term deposits and treasury bills	(10,707,789)	(3,196,672)
Income on investments at amortised cost	-	(11,476)
Dividend on investments classified as fair value through profit or loss	(16,764)	(29,240)
Provision for slow moving stores and spares	94,009	28,338
Provision for staff compensated absences	409	(759)
Provision for un-funded gratuity plan - CAPGAS	2,504	(22)
Remeasurement gain / (loss) on staff retirement benefit plans	63,155	(61,040)
Cash flows before working capital changes	41,244,809	36,337,033
Effect on cash flows due to working capital changes:		
(Increase) in stores and spares	(347,847)	(1,123,245)
(Increase) in stock in trade	(159,777)	(124,896)
(Increase) in trade debts	(2,765,427)	(2,628,845)
(Increase) in advances, deposits, prepayments and other receivables	(3,080,801)	(609,014)
Increase in trade and other payables	6,791,932	5,369,511
	438,080	883,511
Cash flows generated from operations	41,682,889	37,220,544
(Increase) / decrease in long term loans and advances	(6,397)	7,556
Increase in long term deposits	32,386	26,968
Taxes paid	(12,210,353)	(9,187,784)
Actual decommissioning cost paid	(234,963)	(101,446)
Net cash generated from operating activities	29,263,562	27,965,838

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## 47. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Description	Explanation	2023	2022
		Rupees ('000)	
i) Loans and advances	Non-interest bearing		
ii) Deposits	Non-interest bearing		
iii) Segment revenue	Disclosed in note 37		
<b>iv) Bank Balances</b>			
Placed under interest arrangements		61,962,950	67,866,904
Placed under Shariah permissible arrangements		8,356,196	2,520
		<b>70,319,146</b>	<b>67,869,424</b>
<b>v) Income on bank deposits</b>			
Placed under interest arrangements		9,362,759	3,208,041
Placed under Shariah permissible arrangements		1,321,139	107
		<b>10,683,898</b>	<b>3,208,148</b>
vi) Dividend income	Disclosed in note 34.1		
vii) All sources of other income	Disclosed in note 34		
viii) Exchange gain	Earned from actual currency		
ix) Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations:  1. Meezan Bank Limited 2. Albaraka Islamic Investment bank 3. Bank Islami Limited 4. Faysal Bank Limited		

#### 48 GEOGRAPHICAL LOCATION AND ADDRESSES OF ALL OTHER BUSINESS UNITS INCLUDING INTEREST IN JOINT OPERATIONS

Geographical location and addresses of all other business units of the Company including interest in joint operations are as follows:

Exploration licenses / Leases	Location and address		Working interest	
	District(s)	Province(s)	2023	2022
Operated by the Company				
Ikhlas Petroleum Concession (3372-18)	Attock	Punjab	80.00	80.00
Kirthar South Petroleum Concession (2567-7)	Dadu, Jamshoro, Lasbela, Thatta	Sindh and Balochistan	85.00	85.00
Khaur D&Production Lease (153/PAK/2002)	Attock	Punjab	100.00	100.00
Minwal D&Production Lease (123/PAK/98)	Chakwal	Punjab	82.50	82.50
Pariwali D&Production Lease (119/PAK/97)	Attock	Punjab	82.50	82.50
Pindori D&Production Lease (105/PAK/96)	Rawalpindi	Punjab	35.00	35.00
Turkwal D&Production Lease (133/PAK/99)	Chakwal and Rawalpindi	Punjab	67.37	67.37
D.G. Khan Petroleum Concession (2969-10)	Barkhan, DG Khan, Rajanpur	Punjab and Balochistan	70.00	70.00
North Dhurnal (3372-27)	Attock	Punjab	60.00	60.00
Non-operated				
Operated by MOL Pakistan Oil and Gas Company B.V.				
Margala Petroleum Concession (Block 3372-20)	Rawalpindi, Islamabad, Haripur, Abbottabad	Punjab and Khyber Pakhtunkhwa (KPK)	30.00	30.00
Margala North Petroleum Concession (Block 3372-21)	Rawalpindi, Islamabad, Haripur, Abbottabad, Attock	Punjab and KPK	30.00	30.00
TAL Petroleum Concession (Block 3370-3)	Kohat, Karak, Bannu	KPK	*25.00	
Maramzai Development and Production lease	Kohat, Hangu	KPK		
Manzalai D&Production lease (175/PAK/2007)	Karak	KPK		
Makori D&Production lease (184/PAK/2012)	Karak	KPK		
Makori East D&Production lease (205/PAK/2013)	Karak	KPK		
Mamikhel Development and Production lease	Kohat	KPK		
Tolanj West D&P lease 234/PAK/2017	Kohat	KPK		
Tolanj D&P lease 233/PAK/2017	Kohat	KPK		
Mardankhel D&P lease 233/PAK/2017	Hangu	KPK		
Mamikhel South D& P lease 272/PAK/2021	Kohat	KPK		
Operated by Oil and Gas Company Limited				
Chaknaurang Mining Lease (125/PAK/98)	Chakwal	Punjab	15.00	15.00
Gurgalot Petroleum Concession Block (3371-5)	Kohat, Attock	Punjab and KPK	20.00	20.00
Jhal Magsi Development and Production Lease (2867-4)	Jhalmagsi	Balochistan	24.00	24.00
Chah Bali Exploration License (2996-2)	Mach, Mastung and Kalat	Balochistan	30.00	-
Operated by Ocean Pakistan Limited				
Bhangali D&P Lease (65/PAK/90)	Rawalpindi	Punjab	7.00	7.00
Dhurnal Mining Lease (59/PAKISTAN)	Attock	Punjab	5.00	5.00
Ratana D&P Lease (94/PAK/94)	Attock	Punjab	4.55	4.55
Operated by Pakistan Petroleum Limited				
Adhi Mining Lease (72/PAKISTAN)	Rawalpindi, Chakwal	Punjab	11.00	11.00
Hisal Petroleum Concession (3372-23)	Rawalpindi, Chakwal, Attock	Punjab	25.00	25.00
Operated by Mari Petroleum Company Limited				
Taung Petroleum Concession (2567-12)	Jamshoro	Sindh	40.00	40.00
Nareli (3068-9)	Loralai, Sibi, Harnai	Balochistan	32.00	32.00

\*Pre-commerciality interest Pre-commerciality interest

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

## 49. GENERAL

### 49.1 Non-adjusting event after the consolidated statement of financial position date

The Board of Directors in its meeting held on August 29, 2023 has proposed a final dividend for the year ended June 30, 2023 @ Rs 60 per share, amounting to Rs 17,031,306 thousand for approval of the members in the Annual General Meeting to be held on October 09, 2023.

### 49.2 Capacity

#### POL

Following is production from the Company's fields including proportionate share from all operated and non-operated joint ventures:

Product	Unit	2023	2022
Crude oil	US Barrels	1,829,336	2,017,581
Gas	Million Cubic Feet	23,726	25,825
LPG	Metric Tonnes	53,177	55,418
Sulphur	Metric Tonnes	609	475
Solvent Oil	US Barrels	18,334	18,605

Considering the nature of the Company's business, information regarding installed capacity has no relevance.

#### CAPGAS

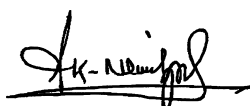
Considering the nature of the Company's business, information regarding capacity has no relevance.

	2023	2022
<b>49.3 Number of employees</b>		
Total number of employees as at June 30	687	712
Total number of employees at fields as at June 30	495	511
Average number of employees during the year	691	718
Average number of employees at fields during the year	494	514

### 49.4 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

### 49.5 Date of authorization

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on August 29, 2023.



Khalid Nafees  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

07

**Shareholders'  
Information**

For the year ended June 30, 2023

# Pattern of Shareholding

As at June 30, 2023

S.No.	No. of Shareholders	From	To	Total Shares Held
1	2189	1	100	86,397
2	1929	101	500	545,836
3	998	501	1000	791,512
4	1911	1001	5000	4,589,403
5	498	5001	10000	3,658,551
6	218	10001	15000	2,703,495
7	117	15001	20000	2,076,955
8	76	20001	25000	1,756,186
9	48	25001	30000	1,342,358
10	38	30001	35000	1,242,388
11	37	35001	40000	1,404,537
12	25	40001	45000	1,068,852
13	32	45001	50000	1,547,073
14	16	50001	55000	847,648
15	16	55001	60000	937,404
16	17	60001	65000	1,058,413
17	11	65001	70000	745,189
18	7	70001	75000	513,487
19	13	75001	80000	1,004,771
20	5	80001	85000	418,992
21	6	85001	90000	531,397
22	3	90001	95000	277,304
23	10	95001	100000	987,390
24	8	100001	105000	822,041
25	3	105001	110000	321,079
26	4	110001	115000	451,741
27	8	115001	120000	943,695
28	1	120001	125000	120,960
29	1	125001	130000	128,800
30	1	130001	135000	130,380
31	3	135001	140000	412,569
32	1	140001	145000	145,000
33	5	145001	150000	739,395
34	2	150001	155000	307,251
35	2	155001	160000	313,491
36	1	165001	170000	168,458
37	2	170001	175000	343,094
38	3	175001	180000	535,255
39	1	180001	185000	182,261
40	2	185001	190000	375,591
41	1	190001	195000	192,000
42	6	195001	200000	1,186,801
43	3	200001	205000	608,418
44	1	205001	210000	205,146

S.No.	No. of Shareholders	From	To	Total Shares Held
45	3	210001	215000	636,302
46	1	215001	220000	216,000
47	1	220001	225000	220,700
48	1	225001	230000	226,423
49	3	235001	240000	714,576
50	1	240001	245000	245,000
51	2	245001	250000	492,062
52	1	250001	255000	252,816
53	4	255001	260000	1,031,385
54	1	265001	270000	265,152
55	1	275001	280000	275,382
56	1	280001	285000	284,617
57	1	285001	290000	289,213
58	1	290001	295000	291,978
59	3	295001	300000	896,800
60	1	300001	305000	300,188
61	1	310001	315000	310,280
62	1	320001	325000	321,484
63	1	330001	335000	332,174
64	1	340001	345000	343,200
65	1	350001	355000	350,305
66	2	355001	360000	716,344
67	1	365001	370000	366,500
68	1	370001	375000	372,689
69	1	385001	390000	385,827
70	3	390001	395000	1,181,699
71	1	400001	405000	403,600
72	1	410001	415000	411,147
73	1	425001	430000	427,267
74	2	430001	435000	865,688
75	1	445001	450000	448,930
76	1	450001	455000	453,751
77	2	455001	460000	918,675
78	1	480001	485000	481,160
79	1	490001	495000	494,531
80	1	495001	500000	500,000
81	1	505001	510000	508,586
82	1	520001	525000	525,000
83	2	560001	565000	1,125,298
84	4	595001	600000	2,400,000
85	1	600001	605000	601,426
86	1	605001	610000	608,756
87	1	610001	615000	612,000
88	1	615001	620000	619,076

# Pattern of Shareholding

As at June 30, 2023

S.No.	No. of Shareholders	From	To	Total Shares Held
89	1	655001	660000	656,885
90	1	675001	680000	678,500
91	1	690001	695000	695,000
92	1	720001	725000	725,000
93	1	745001	750000	747,868
94	1	765001	770000	768,702
95	1	770001	775000	774,500
96	1	785001	790000	785,314
97	1	800001	805000	802,787
98	2	810001	815000	1,625,450
99	1	940001	945000	943,530
100	1	950001	955000	954,045
101	1	1050001	1055000	1,052,796
102	3	1055001	1060000	3,165,295
103	1	1225001	1230000	1,230,000
104	1	1725001	1730000	1,729,461
105	1	1855001	1860000	1,858,965
106	1	1910001	1915000	1,913,137
107	1	1980001	1985000	1,982,591
108	1	2920001	2925000	2,922,677
109	1	3155001	3160000	3,155,810
110	1	4945001	4950000	4,950,000
111	1	6010001	6015000	6,011,430
112	1	6095001	6100000	6,100,000
113	1	6445001	6450000	6,447,093
114	1	18950001	18955000	18,952,559
115	1	149730001	149735000	149,732,758
	<b>8,372</b>			<b>283,855,104</b>



# Categories of Shareholders

As at June 30, 2023

S.No.	Categories of Shareholders	No. of Shareholders	Shares Held	Percentage (%)
1	<b>Directors and their spouse(s) and minor children</b>			
	Mr. Laith G. Pharaon	1	200 *	0.00
	Mr. Wael G. Pharaon	1	200 *	0.00
	Mr. Shuaib A. Malik (Chairman & Chief Executive)	3	3,191,150	1.12
	Mr. Abdus Sattar	1	200 *	0.00
	Mr. Agha Sher Shah	1	1	0.00
	Mr. Sajid Nawaz	1	200 *	0.00
	Mr. Shamim Ahmad Khan	1	500	0.00
	Mr. Babar Bashir Nawaz	1	145,000	0.05
	Mrs. Mehnaz Babar (Spouse of Mr. Babar Bashir Nawaz)	1	76,550	0.03
2	<b>Associated Companies, undertakings and related parties</b>	24	150,018,935	52.85
3	<b>NIT &amp; ICP</b>	2	357,782	0.13
4	<b>Banks Development Financial Institutions, Non Banking Financial Institutions.</b>	11	9,919,360	3.49
5	<b>Insurance Companies</b>	19	25,771,574	9.08
6	<b>Modarabas and Mutual Funds</b>	71	5,860,411	2.06
7	<b>General Public</b>			
	a. Local	7,489	58,304,134	20.54
	b. Foreign	378	738,011	0.26
8	<b>Foreign Companies</b>	47	12,919,623	4.55
9	<b>Others</b>	320	16,551,273	5.83
	<b>Totals</b>	<b>8,372</b>	<b>283,855,104</b>	<b>100.00</b>

\* 200 shares shown against the name of each Director are held in trust.

Share holders holding 10% or more	Shares Held	Percentage
The Attock Oil Company Limited	149,794,518	52.77

# Key Shareholding and Shares Traded

As at June 30, 2023

S.No.	Categories of Shareholders	No. of Shareholders	Shares Held	Percentage (%)
<b>Directors and their spouse(s) and minor children</b>				
1	Mr. Laith G. Pharaon	1	200 *	0.00
2	Mr. Wael G. Pharaon	1	200 *	0.00
3	Mr. Shuaib A. Malik (Chairman & Chief Executive)	3	3,191,150	1.12
4	Mr. Abdus Sattar	1	200 *	0.00
5	Mr. Agha Sher Shah	1	1	0.00
6	Mr. Sajid Nawaz	1	200 *	0.00
7	Mr. Shamim Ahmad Khan	1	500	0.00
8	Mr. Babar Bashir Nawaz	1	145,000	0.05
9	Mrs. Mehnaz Babar (Spouse of Mr. Babar Bashir Nawaz)	1	76,550	0.03
<b>Associated Companies, undertakings and related parties</b>				
1	The Attock Oil Company Limited	2	149,794,518	52.77
2	Trustees of ARL General Staff Provident Fund	1	37,000	0.01
3	Trustees of ARL Staff Provident Fund	1	57,000	0.02
4	Trustees of ARL Management Staff Pension Fund	1	61,480	0.02
5	Trustees of NRL Officers Provident Fund	1	37,560	0.01
6	Trustee National Refinery Ltd. Management Staff Pension Fund	1	22,135	0.01
<b>Executives</b>		17	9,242	0.00
<b>Public sector companies and corporations</b>		49	13,277,405	4.68
<b>Banks, Development Finance Institution, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds</b>		421	58,102,618	20.47
<b>Others</b>		7,867	59,042,145	20.80
		8,372	283,855,104	100.00

\* 200 shares shown against the name of each Director are held in trust.

S.No.	Categories	No. of Shares Traded
No trade has been made in Shares of the Company by Associated Company, Substantial shareholder, Directors, CEO, CFO, Company Secretary, Executives and their spouses and minor children except for shares mentioned below:		
1	Dr. Ehsan-ul-Haq Danish Executive	300
2	Mr. Shakir Ali Executive	1,272
3	Mr. Ahsan Akbar Abbasi Executive	(1)
4	Mr. Rashid Hussain Executive	200
5	Mr. Omar Hafeez Executive	520
6	Mr. Shuaib A. Malik Chief Executive	10,000
7	Mr. Babar Bashir Nawaz Alternate Director	56,550

# Notice of Annual General Meeting

Notice is hereby given that Seventy Second (72nd) Annual General Meeting (being the 94th General Meeting) of the Company will be held on Monday, October 09, 2023 at 10:30 hours at 4th Floor, Attock House, Morgah, Rawalpindi to transact the following business:

## ORDINARY BUSINESS

- i. To receive, consider and approve the audited financial statements of the Company together with Directors' and Auditors' Reports for the year ended June 30, 2023;
- ii. To approve final cash dividend of Rs. 60 per share i.e. 600% as recommended by the Board of Directors. It is in addition to the interim cash dividend of Rs. 20 per share i.e. 200% already paid to the shareholders, thus making a total cash dividend of Rs. 80 per share i.e. 800% for the year ended June 30, 2023;
- iii. To appoint auditors of the Company for the year ending June 30, 2024 and fix their remuneration. The present auditors Messer A.F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment; and
- iv. To transact any other business with permission of the Chairman.

## SPECIAL BUSINESS

- i. The Securities and Exchange Commission of Pakistan (SECP) through its S.R.O. 389(1)/2023 dated March 21, 2023 has allowed the listed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors' report, etc. ("annual audited financial statements") to its members through QR enabled code and weblink, subject to approval of shareholders in AGM. Therefore, the shareholders are requested to consider, and if deemed fit, approve the following resolution as an ordinary resolution:

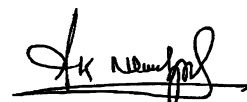
"Resolved that Pakistan Oilfields Limited (the "Company") be and is hereby authorized to circulate its annual audited financial statements, to the members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(1)/2023 issued by the SECP, and that the practice of circulation of the annual financial statements through CD /DVD/USB may be discontinued.

Further resolved that the Company Secretary be and is hereby authorized to do all acts, deeds and things, take or cause to be taken any action as may be necessary, incidental or consequential to give effect to this resolution."

- ii. To transact any other business with permission of the Chairman.

Registered Office:  
POL House,  
Morgah, Rawalpindi.  
September 18, 2023.

**For & on behalf of the board**



Khalid Nafees  
Company Secretary

# Notice of Annual General Meeting

## NOTES:

### 1. CLOSURE OF SHARE TRANSFER BOOKS:

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from October 3, 2023 to October 9, 2023 (both days inclusive). Transfers received in order at the Registered Office / Share Registrar of the Company by the close of business on October 2, 2023 will be treated in time for the purpose of payment of the final cash dividend, if approved by the shareholders.

### 2. PARTICIPATION IN THE ANNUAL GENERAL MEETING:

A member entitled to participate and vote at this meeting is also entitled to appoint another proxy to participate and vote on his/her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the time of the meeting.

For appointing proxies

- a. In case of individuals, the account holders or sub account holders whose registration details are uploaded as per regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the proxy form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- b. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has not been provided earlier) along with proxy form to the Company.

### 3. CONFIRMATION OF "FILER" STATUS FOR INCOME TAX WITHHOLDING ON CASH DIVIDEND

For cash dividend, the rates of deduction of income tax, under section 150 of the Income Tax Ordinance, 2001 are as follows:

a.	Rate of tax deduction for filer of income tax returns	15%
b.	Rate of tax deduction for non filer of income tax returns	30%

In case of joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing to the Company / Share Registrar. If no notification is received, each joint holder shall be assumed to have an equal number of shares.

The CNIC number / NTN detail is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (FBR) from time to time.

#### **4. EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:**

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax withholding exemption certificate or necessary documentary evidence for this purpose. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

CDC account holders are requested to submit their declaration for non-deduction of zakat to the relevant member stock exchange or to CDC if maintaining CDC investor account.

#### **5. PAYMENT OF DIVIDEND THROUGH BANK ACCOUNT OF THE SHAREHOLDER:**

Pursuant to the requirement of Section 242 of the Companies Act, 2017, shareholders are MANDATORILY required to provide their International Bank Account Number (IBAN) to receive their cash dividend directly in their bank accounts instead of dividend warrants. In this regard and in pursuance of the directives of the SECP vide Circular No. 18 of 2017 dated August 01, 2017, shareholders are requested to submit their written request (if not already provided) to the Company's registered address, giving particulars of their bank account. In the absence of shareholder's valid bank account detail by October 03, 2023, the Company will be constrained to withhold dividend of such members.

CDC account holders are requested to submit their mandate instruction to the relevant member stock exchange or to CDC if maintaining CDC investor account.

#### **6. SUBMISSION OF COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) FOR PAYMENT OF FINAL CASH DIVIDEND 2022-23**

Pursuant to the directives of SECP, CNIC number of shareholders is MANDATORILY required for payment of dividend. Shareholders are therefore, requested to submit a copy of their valid CNIC (if not already provided) to the Company on its registered address / Share Registrar. In the absence of a member's valid CNIC, the Company will be constrained to withhold payment of cash dividend to such members.

CDC account holders are requested to submit attested copy of their CNIC to the relevant member stock exchange or to CDC if maintaining CDC investor account.

#### **7. UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES**

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach the Company to claim their outstanding dividend amounts and/or undelivered share certificates.

# Notice of Annual General Meeting

## **8. DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY:**

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. Further SECP vide its letter dated March 26, 2021 has advised to comply with Section 72 of the Act and encourage shareholders to convert their shares in book-entry form.

In light of above, shareholders holding physical share certificates are requested to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scripless form. This will facilitate the shareholders to streamline their information in member's register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scripless form allows for swift sale/purchase.

## **9. CIRCULATION OF ANNUAL AUDITED FINANCIAL STATEMENTS TO SHAREHOLDERS THROUGH EMAIL/CD/USB/DVD OR ANY OTHER MEDIA:**

SECP through SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 has allowed the companies to circulate its Annual Audited Financial Statements to its members through Email/CD/DVD/USB/ or any other Electronic Media at their registered Addresses.

The Company circulates its Annual Audited Financial Statements to its members through CD. However, shareholders who wish to receive the hard copy of Financial Statements shall have to fill the standard request form (available on the Company's website [www.pakoil.com.pk](http://www.pakoil.com.pk)) and send it to the Company's registered address.

In addition to above, the Company also placed its Financial Statements on its website [www.pakoil.com.pk](http://www.pakoil.com.pk)

## **10. CONSENT FOR VIDEO CONFERENCE FACILITY:**

Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives a request from member(s) holding an aggregate ten percent (10%) or more shareholding residing at another city, such member(s) may request a video conferencing facility for the purposes of participating in the meeting at such a location by sending a request to the Company at least 7 (seven) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to the availability of such facility in that city.

## **11. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON THE COMPANY'S WEBSITE:**

The audited financial statements of the Company for the year ended June 30, 2023 have been made available on the Company's website [www.pakoil.com.pk](http://www.pakoil.com.pk) at least 21 days before the date of AGM.

**12. CHANGE IN ADDRESS:**

The members are requested to promptly notify any change in their addresses.

**13. STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017:**

To circulate the Annual Balance Sheet and Profit and Loss Accounts, Auditor's Report and Directors' Report, etc. ("Annual Audited Financial Statements") to its members through QR enabled code and weblink:

The approval of the shareholder to circulate the Annual Audited Financial Statements to its members through QR enabled code and weblink as required u/section 223 (7) of Companies Act and subsequently advised by SECP through its Notification S.R.O. 389 (1)/ 2023 dated March 21, 2023 is to be obtained.





میں / ہم ..... پاکستان آئل فیلڈز کے ممبر کی حیثیت سے کمپنی کے ..... عمومی شیئر (ز) کنندہ رجسٹرڈ فوئیو نمبر ..... اور ممبر کی صورت میں جنہوں نے اپنے شیئر سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (سی ڈی سی) میں جمع کرائے ہیں وہ مندرجہ ذیل کوائف درج کریں گے۔  
سی ڈی سی پارٹیسپنٹ آئی ڈی نمبر ..... سب اکاؤنٹ نمبر ..... کمپیوٹرائزڈ شناختی کارڈ نمبر .....  
..... اور پاسپورٹ نمبر ..... میں جناب .....  
..... فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہے) ..... یا اُن کے بجائے، جناب .....  
..... فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہے) ..... بذریعہ ہذا کو اپنا / ہمارا پراکسی مقرر کرتا ہوں تاکہ میری غیر موجودگی میں کمپنی کے ۲۰۲۳ ویں سالانہ اجلاس عام میں ۹ اکتوبر ۲۰۲۳ء بروز سوموار صبح دس بجکر تیس منٹ پر منعقد ہو رہا ہے یا اُس کے التوائی اجلاس میں میری / ہماری طرف سے شرکت کر سکے یا ووٹ دے سکے۔

۵۰ روپے کارسیدی ٹکٹ  
یہاں چسپاں کریں

آج بروز ..... تاریخ ..... ۲۰۲۳ء

دستخط / رکن

1- گواہ	2- گواہ
..... دستخط .....	..... دستخط .....
..... نام .....	..... نام .....
..... پتہ .....	..... پتہ .....
..... کمپیوٹرائزڈ قومی شناختی کارڈ نمبر .....	..... کمپیوٹرائزڈ قومی شناختی کارڈ نمبر .....
..... اور پاسپورٹ نمبر .....	..... اور پاسپورٹ نمبر .....

نوٹس

۱- مکمل اور دستخط شدہ فارم اجلاس سے کم از کم اڑتالیس گھنٹے قبل کمپنی کے رجسٹرڈ آفس پی او ایل ہاؤس مورگاہ راولپنڈی میں موصول ہونے والا پراکسی فارم موثر سمجھا جائے گا۔  
۲- حصہ داران اور اُن کے پراکسی ہر دونوں کے شناختی کارڈ کی مصدقہ نقول متعلقہ پراکسی فارم کے ساتھ کمپنی آفس میں جمع کرائیں۔



Pakistan Oilfields Limited  
POL House, Morgah, Rawalpindi.  
Tel: (051) 548 7589-97 | Fax: (051) 548 7598-99  
Web: [www.pakoil.com.pk](http://www.pakoil.com.pk)